

March 2026

Vol.48 No.3

Current Economic Trends

Economic News Briefing

Fitch's Rating on Korea

Issuance of US Dollar FX Fund Bonds

Korea's External Debt in 2025

Republic of Korea Economic Bulletin



Korean Stock Market



▲ **Korean Stock Market** Soars to New Record Highs.

Republic of Korea **Economic Bulletin**

The Republic of Korea Economic Bulletin is a monthly publication that seeks to promote a greater understanding of the Korean economy by providing readers with information on the latest economic trends and policy issues as well as relevant news and current events.

March 2026 Vol.48 No.3

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Current Economic Trends

Overview

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Overview

In December 2025, industrial production, services production, retail sales, and construction investment increased, while facility investment declined. In January 2026, the increase in the number of employed persons moderated, and consumer prices rose at a slower pace.

In December, production in the industrial sector (*up 1.5% m-o-m and up 1.8% y-o-y*), construction sector (*up 12.1% m-o-m and down 4.2% y-o-y*) and services sector (*up 1.1% m-o-m and up 3.7% y-o-y*) rose, leading to an increase in total industrial sector (*up 1.59% m-o-m and up 1.8% y-o-y*).

In December, the cyclical indicator of the coincident composite index moved down by 0.2 points and the cyclical indicator of the leading composite index moved up by 0.6 points.

In December, retail sales went up (*up 0.9% m-o-m and up 1.2% y-o-y*), while facilities investment went down (*down 3.6% m-o-m and down 10.3% y-o-y*).

In January, the Consumer Sentiment Index (CSI) went up by 1.0 points month-on-month to 110.8. The Composite Business Sentiment Index (CBSI) decreased by 0.2 points to 94.0 in January, and the CBSI outlook for February rose by 1.0 points to 91.0.

In January, exports climbed by 33.9 percent year-on-year, supported by strong semiconductor performance. Average daily exports rose by 14.0 percent compared to the same month of previous year.

In January, the number of employed persons grew by 108,000 jobs compared to the same month last year and the unemployment rate rose by 0.4 percent points to 4.1 percent.

In January, the Consumer Price Index (CPI) climbed by 2.0 percent year-on-year, as the pace of increase in agricultural, livestock and fisheries product prices moderated. The index when excluding food and energy prices grew by 2.0 percent from a year ago.

In January, housing prices (*up 0.28% m-o-m*) and *Jeonse* (lump-sum deposits with no monthly payments) prices rose (*0.27% m-o-m*).

In January, Korean equity prices went up, Korean Treasury Bond yields rose, and the Korean Won weakened against the dollar.

Recently, the Korean economy has continued to show a recovery trend, supported by improvements in domestic demand such as consumption and strong export performance led by semiconductors.

Indicators that had recorded strong gains in the third quarter temporarily were adjusted in October due to base effects, but resumed a recovery trend from November onwards. However, employment difficulties in vulnerable sectors persist, with uncertainties remaining over the pace of recovery in construction investment and the impact of U.S. tariff measures.

The global economy faces continued volatility in the global financial markets and energy prices, along with concerns over slowing trade and growth, amid a worsening trade environment stemming from tariff measures imposed by major economies and heightened geopolitical uncertainties.

With an aim to broaden the momentum of the economic recovery going forward, the government plans to continue to implement proactive macroeconomic policies and pursue targeted measures to revitalize consumption, investment, and exports. It plans to also move forward expeditiously with the 2026 Economic Growth Strategy to boost potential growth, promote balanced growth, address economic polarization, and strengthen the foundations for a major economic leap.

Economic Activity

1. Gross Domestic Product (Advance estimate)

In the fourth quarter of 2025, Korea's real Gross Domestic Product (GDP) amounted to 604.6 trillion won, and real Gross Domestic Income (GDI) was 599.6 trillion won.

(Trillion won, inflation adjusted at 2020 prices)

	2023	2024	2025	2023				2024				2025			
	Annual	Annual ¹	Annual ¹	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ²
GDP	2,247.2	2,292.2	2,314.5	532.3	560.9	564.5	589.5	550.4	573.5	572.4	595.9	550.2	576.8	582.9	604.6
(Seasonally adjusted)	-	-	-	556.1	559.9	564.2	567.0	573.7	572.4	572.9	573.3	572.1	575.9	583.6	582.0
- Private consumption	1,085.4	1,097.0	1,111.4	270.7	266.8	271.9	276.0	273.7	268.8	275.5	279.0	275.2	271.2	280.7	284.3
- Facility investment	212.8	216.5	220.8	51.9	55.7	49.8	55.3	50.8	54.3	53.1	58.2	53.7	56.1	53.7	57.2
- Construction investment	300.0	290.2	261.6	62.5	82.4	75.9	79.2	63.5	81.4	71.2	74.1	55.0	72.1	65.9	68.6
- Total export	848.3	906.3	943.5	201.5	205.5	211.9	229.4	219.5	224.0	225.5	237.3	222.7	234.0	240.4	246.4
- Total import	752.7	771.4	800.5	193.1	181.2	184.4	194.0	191.7	187.2	193.0	199.6	195.7	195.6	203.4	205.9
GDI	2,155.5	2,240.3	2,278.0	505.5	532.6	546.3	571.0	537.9	557.9	560.8	583.8	537.2	566.3	574.9	599.6
(Seasonally adjusted)	-	-	-	529.5	531.9	544.2	549.9	560.4	558.1	559.3	562.5	559.0	567.3	573.3	578.0

Source: Bank of Korea.

¹ Preliminary estimate.

² Advance estimate.

In the fourth quarter of 2025, real GDP grew 1.6 percent year-on-year, and seasonally adjusted GDP decreased 0.3 percent quarter-on-quarter. Real GDI rose 2.7 percent year-on-year, and seasonally adjusted GDI also increased 0.8 percent quarter-on-quarter.

(Percentage change from same period in previous year, inflation adjusted at 2020 prices)

	2023	2024	2025	2023				2024				2025			
	Annual	Annual ¹	Annual ¹	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ²
GDP	1.6	2.0	1.0	1.3	1.2	1.5	2.2	3.4	2.2	1.4	1.1	0.0	0.6	1.8	1.5
(Seasonally adjusted ³)	-	-	-	0.4	0.7	0.8	0.5	1.2	-0.2	0.1	0.1	-0.2	0.7	1.3	-0.3
- Private consumption	2.0	1.1	1.3	5.0	1.7	0.7	0.8	1.1	0.7	1.3	1.1	0.6	0.9	1.9	1.9
- Facility investment	-0.2	1.7	2.0	4.3	3.0	-5.1	-2.6	-2.2	-2.5	6.6	5.3	5.8	3.4	1.0	-1.7
- Construction investment	-0.5	-3.3	-9.9	0.1	0.3	1.1	-3.1	1.6	-1.2	-6.2	-6.4	-13.3	-11.4	-7.5	-7.4
- Total export	3.4	6.8	4.1	-1.5	0.6	3.5	11.1	8.9	9.0	6.4	3.5	1.5	4.5	6.6	3.8
- Total import	3.0	2.5	3.8	6.8	2.5	-0.7	3.5	-0.7	3.3	4.6	2.9	2.1	4.5	5.4	3.2
GDI	1.8	3.9	1.7	-1.0	0.1	3.7	4.2	6.4	4.7	2.7	2.2	-0.1	1.5	2.5	2.7
(Seasonally adjusted ³)	-	-	-	0.7	0.5	2.3	1.0	1.9	-0.4	0.2	0.6	-0.6	1.5	1.1	0.8

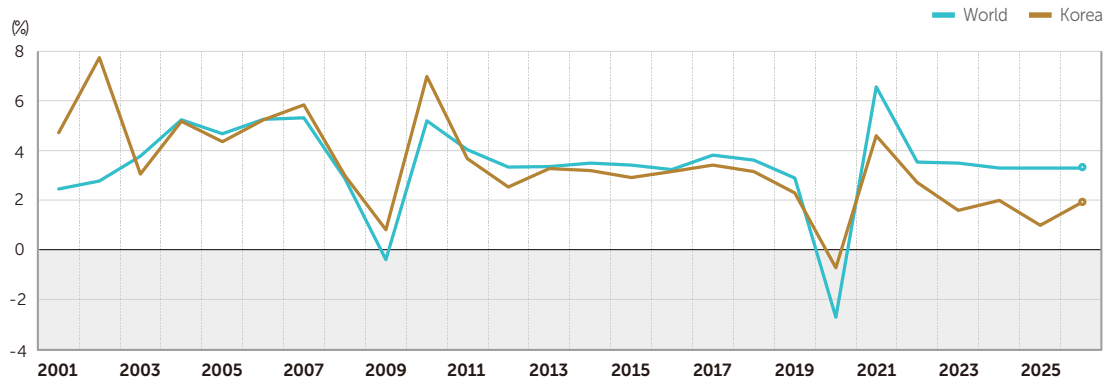
Source: Bank of Korea.

¹ Preliminary estimate.

² Advance estimate.

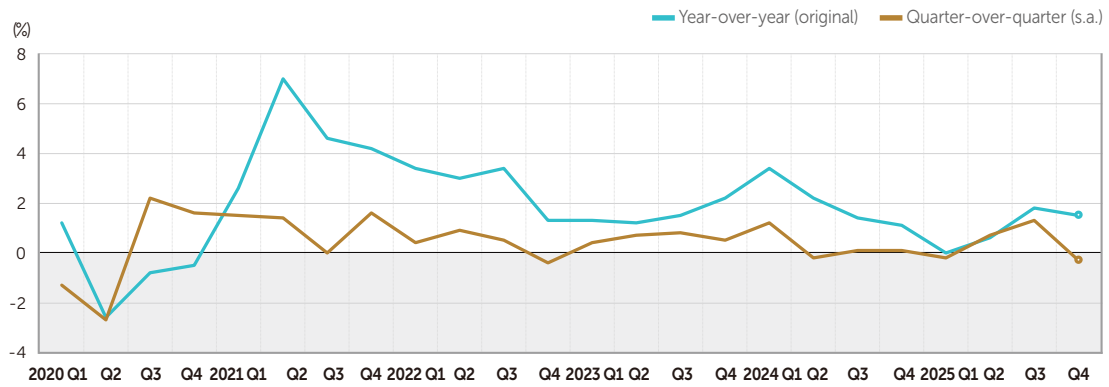
³ Percentage change from previous period.

GDP growth: World and Korea



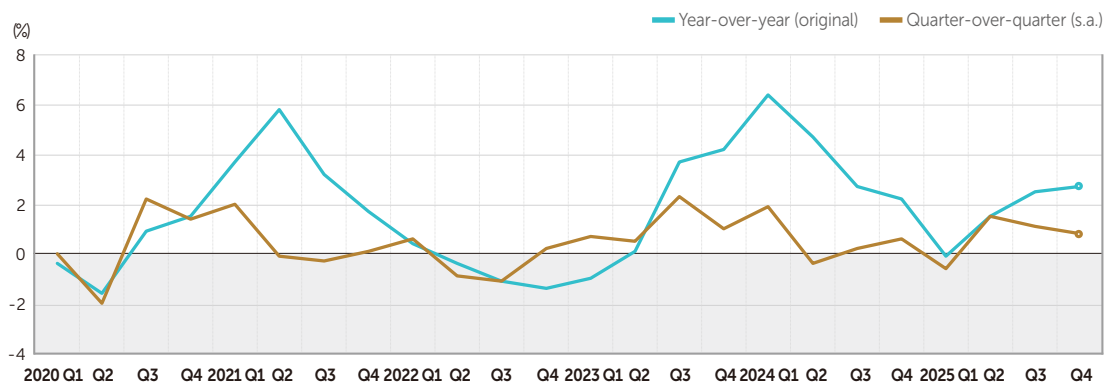
Source: IMF

GDP growth: Korea



Source: Bank of Korea.

GDI growth: Korea



Source: Bank of Korea.

2. Total Production and Composite Index of Business Indicators

In December, the Total Index of Industrial Production rose 1.5 percent month-on-month. Industrial production (up 1.5 %), construction (up 12.1%) and services production (up 1.1%) increased. The index climbed 1.8 percent year-on-year.

Coincident composite index

The cyclical indicator of the coincident composite index fell 0.2 points month-on-month to 98.5. More specifically, index of services, imports and retail sales index rose, while the number of employed persons excluding agriculture, forestry and fishing, the value of construction completed and industrial production index fell.

Leading composite index

The cyclical indicator of the leading composite index rose 0.6 points to 103.1. Within the leading composite index, the KOSPI and interest rate spread and construction orders received rose, while inventory cycle of manufacturing fell.

	2025											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct ¹	Nov ¹	Dec ¹
Total Index of Industrial Production (m-o-m, %)	-1.6	0.7	1.1	-0.7	-1.2	1.6	0.4	-0.3	1.3	-2.6	0.9	1.5
(y-o-y, %)	-3.8	1.2	1.1	0.7	-0.8	1.1	2.0	-0.4	7.0	-3.6	0.4	1.8
Cyclical indicator of coincident composite index (m-o-m, p)	98.9	99.1	99.3	99.5	99.1	99.1	99.0	99.2	99.4	99.0	98.7	98.5
Coincident composite index (2020=100) (m-o-m, %)	112.2	112.5	113.0	113.4	113.1	113.3	113.3	113.7	114.2	113.8	113.6	113.6
Cyclical indicator of leading composite index (m-o-m, p)	100.2	100.3	100.5	100.8	100.8	101.0	101.6	102.1	102.2	102.2	102.5	103.1
Leading composite index (2020=100) (m-o-m, %)	117.1	117.5	118.1	118.8	119.1	119.6	120.6	121.5	121.9	122.3	123.0	124.0

Source: Industrial activity trends, Statistics Korea.

¹ Figures for the last three months of coincident composite index are preliminary, while figures for the last two months of leading composite index are preliminary.

Coincident composite index in Dec 2025 (m-o-m, %)

Index of Services	0.4
Imports	0.7
Retail sales index	0.4
Number of Employed Persons (excluding Agriculture, Forestry and fishing)	-0.4
Industrial production index	-0.2
Value of construction completed	-0.2
Industrial production index	-0.6

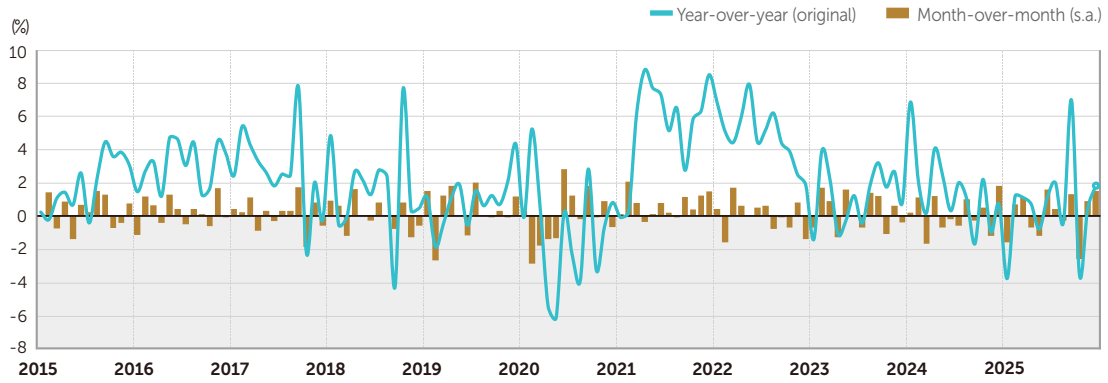
Source: Industrial activity trends, Statistics Korea.

Leading composite index in Dec 2025 (m-o-m, %)

KOSPI	8.0
Interest rate spread (%p)	0.16
Construction orders received	9.2
Inventory cycle of manufacturing	-0.6

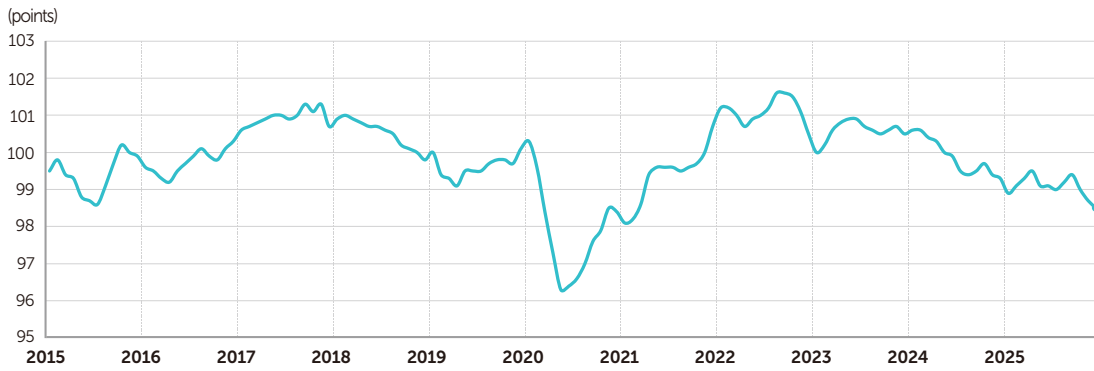
Source: Industrial activity trends, Statistics Korea.

Total index of Industrial Production



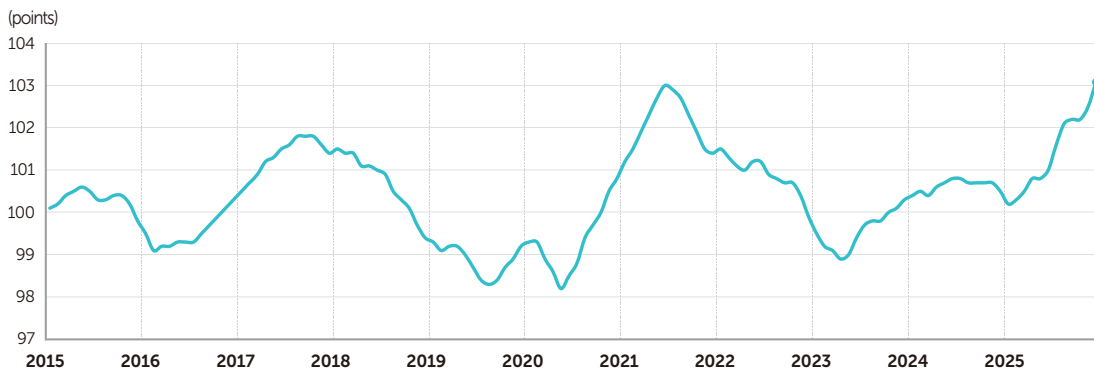
Source: Industrial activity trends, Statistics Korea.

Cyclical indicator of coincident composite index



Source: Industrial activity trends, Statistics Korea.

Cyclical indicator of leading composite index



Source: Industrial activity trends, Statistics Korea.

3. Private consumption

Private consumption (*advance estimate of GDP*) in the fourth quarter of 2025 increased by 0.3 percent quarter-on-quarter and by 1.9 percent year-on-year.

(Percentage change from previous period)

	2023	2024	2025	2023				2024				2025			
	Annual ¹	Annual ¹	Annual ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ²
Private consumption	-	-	-	0.6	0.0	0.1	0.3	0.5	0.0	0.4	0.2	-0.1	0.5	1.3	0.3
(y-o-y)	2.0	1.1	1.3	5.0	1.7	0.7	0.8	1.1	0.7	1.3	1.1	0.6	0.9	1.9	1.9

Source: National accounts, Bank of Korea.

¹ Preliminary estimate.

Retail sales rose 0.9 percent month-on-month in December. Sales of semi-durable goods (*up 3.1%*) and nondurable goods (*up 0.9%*) increased, while sales of durable goods (*down 0.7%*) decreased. The year-on-year index rose 1.2 percent.

(Percentage change from previous period)

	2023	2024	2025	2023				2024				2025						
	Annual	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ¹	Oct	Nov ¹	Dec ¹
Retail sales	-	-	-	-0.7	0.4	-1.3	0.8	-2.2	-0.3	0.7	-0.4	0.4	-0.9	1.5	0.8	3.6	-3.2	0.9
(y-o-y)	-1.3	-2.1	0.5	-1.4	-0.4	-2.6	-1.2	-1.6	-3.1	-1.5	-2.0	-0.3	0.0	1.5	0.8	0.4	0.8	1.2
- Durable goods	-1.1	-3.9	4.5	-1.0	-0.6	-1.9	2.8	-4.1	-3.2	4.5	-2.2	5.2	-2.8	5.4	-3.2	-4.4	-0.7	-0.7
· Automobiles	6.9	-7.3	11.0	0.6	1.8	-5.4	4.4	-11.0	-0.6	7.1	0.8	3.9	2.7	4.1	-4.3	-4.8	0.3	-0.4
- Semi-durable goods	-0.5	-3.0	-2.2	3.7	-0.5	-2.8	0.8	-1.4	-0.6	-1.2	1.2	-2.8	-1.8	4.1	0.0	5.0	-4.2	3.1
- Nondurable goods	-1.8	-0.9	-0.3	-2.1	1.2	-0.6	-0.1	-1.5	1.0	-0.2	-0.2	-0.6	0.4	-1.2	2.9	7.0	-4.1	0.9

Source: Statistics Korea.

¹ Preliminary.

The retail sales are expected to be mixed led by positive figures from car sales at home and a healthy consumer sentiment index, in contrast to a continued decline in large discount store sales.

(Percentage change from same period in previous year)

	2025									2026
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
Car sales at home	0.1	8.0	2.0	5.0	18.1	-16.3	-4.4	-0.9	11.2	
Department store sales	-0.5	-1.1	1.1	-7.1	2.7	5.6	2.0	5.0	-0.7	
Large discount store sales	-5.9	-1.6	-9.6	-22.9	-14.6	-4.7	-14.5	-16.8	-26.6	
Credit card spending at home ¹	2.7	3.7	6.3	5.0	8.5	2.1	6.6	4.3	4.7	
Consumer sentiment index ²	101.8	108.7	110.8	111.4	110.1	109.8	112.4	109.9	110.8	
Number of Chinese tourists ³	28.7	28.8	36.2	21.5	21.7	25.1	26.8	28.8	24.6	

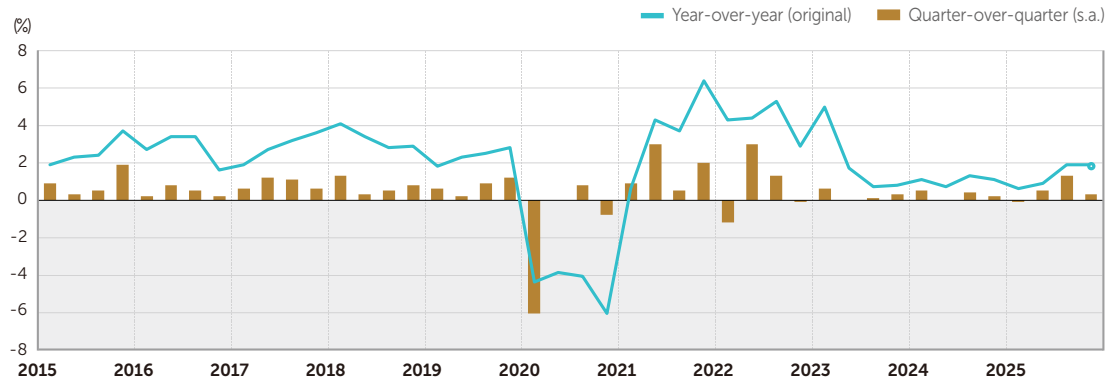
Sources: Korea Automobile Manufacturers Association; The Credit Finance Association; Bank of Korea; Korea Culture & Tourism Institute; data provided by retail industries.

¹ Utility bills are excluded.

² Level value.

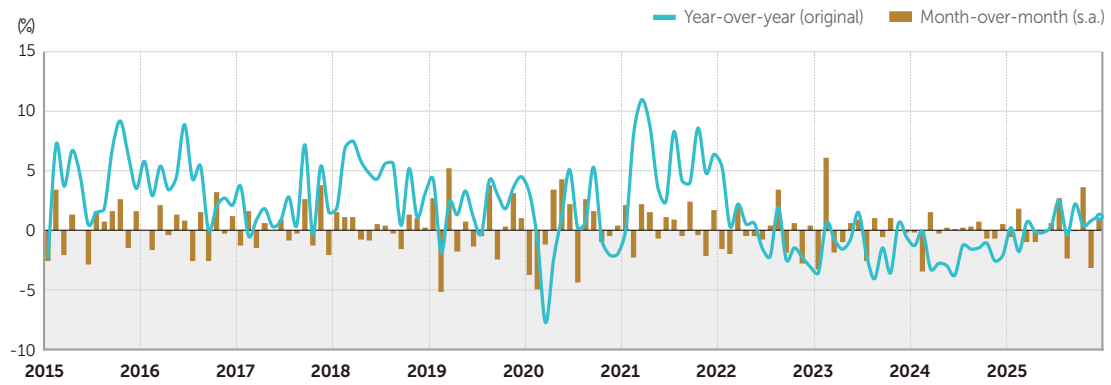
³ Advance estimate based on total entries. The figure can be different from the statistic released by the Ministry of Culture, Sports and Tourism, which excludes diplomatic and military personnel.

Private consumption



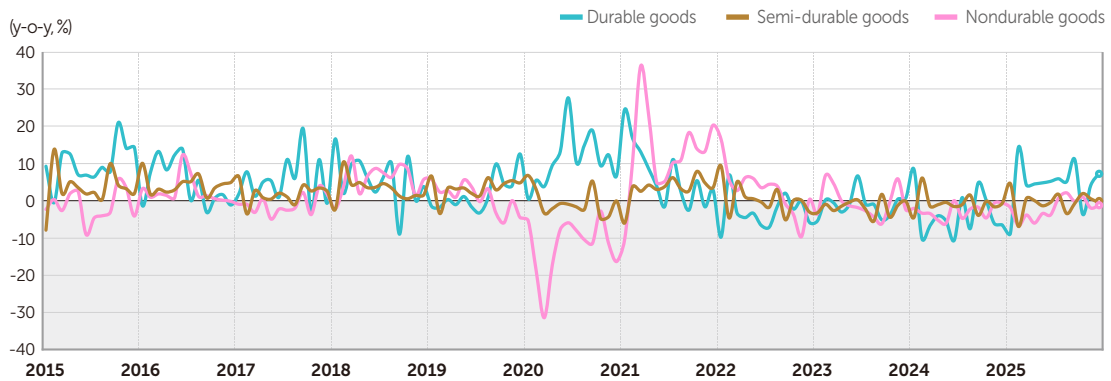
Source: National account, Bank of Korea.

Retail sales



Source: Industrial activity trends, Statistics Korea.

Retail sales by type



Source: Industrial activity trends, Statistics Korea.

4. Facility investment

Facility investment (*advance estimate of GDP*) in the fourth quarter of 2025 declined by 1.8 percent quarter-on-quarter, and by 1.7 percent year-on-year.

(Percentage change from previous period)

	2023	2024	2025	2023				2024				2025			
	Annual ¹	Annual ¹	Annual ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ²
Facility investment	-	-	-	-1.7	0.5	-3.6	2.2	-1.0	0.0	5.4	0.8	-0.4	-2.1	2.6	-1.8
(y-o-y)	-0.2	1.7	2.0	4.3	3.0	-5.1	-2.6	-2.2	-2.5	6.6	5.3	5.8	3.4	1.0	-1.7
- Machinery	-0.1	1.8	-	-3.8	2.0	-5.6	1.1	0.9	-1.8	6.9	1.8	-4.6	-1.0	4.5	-
- Transportation equipment	-0.4	1.4	-	7.5	-5.3	4.7	6.3	-7.9	6.7	0.0	-3.0	15.9	-5.8	-3.5	-

Source: National accounts, Bank of Korea.

¹ Preliminary estimate.

In December, the facility investment index fell by 3.6 percent month-on-month, led by a decrease in the transportation equipment investment index even though the machinery investment index increased. The index also fell by 10.3 percent year-on-year.

(Percentage change from previous period)

	2023	2024	2025	2023				2024				2025						
	Annual	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ¹	Oct	Nov ¹	Dec ¹
Facility investment index	-	-	-	-9.0	1.5	-3.8	3.5	-1.5	-1.4	10.2	-1.8	-1.7	0.0	5.7	-7.9	-14.3	1.7	-3.6
(y-o-y)	-4.8	2.9	1.7	-1.5	-0.9	-10.5	-5.8	-1.4	-3.3	11.5	5.3	5.7	5.3	1.9	-5.4	-4.3	-0.1	-10.3
Machinery	-7.1	1.9	0.6	-11.0	1.0	-2.8	-0.3	1.7	-1.9	5.0	3.4	-2.3	-4.3	5.9	-3.2	-12.6	5.3	1.3
Transportation equipment	2.8	5.3	4.2	-2.5	2.9	-6.9	15.1	-9.4	-0.1	23.7	-13.1	-0.1	11.0	5.4	-18.6	-17.9	-6.8	-16.1

Source: Statistics Korea.

¹ Preliminary.

The facility investment outlook is mixed, as an increase in domestic machinery orders received is offset by a decline in machinery imports.

(Percentage change from same period in previous year)

	2023	2024	2025	2023				2024				2025				
	Annual	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ¹	Dec ¹
Domestic machinery orders received	-2.6	-2.7	2.8	2.8	-5.9	-3.1	-14.5	15.9	-7.1	-7.3	15.6	-9.5	18.3	5.1	-13.5	6.9
(% change from previous period)	-	-	-	-	3.9	4.6	-5.1	9.2	-12.8	-0.9	19.8	-12.9	12	-7.4	-2.2	-13.1
- Public	92.3	-21.2	-9.3	-9.3	158.8	124.5	28	40.1	-63.0	-42.6	169.3	-40.7	15.2	-28.5	-37.5	93.2
- Private	-8.2	-0.3	3.9	3.9	-15.7	-11.1	-16.4	14.2	3.1	-1.7	4.8	-6.8	18.6	8.2	-9.2	-0.5
Machinery imports	-2.6	1.8	8.1	8.1	2.7	6.7	-12.3	-7.4	-7.4	-12.4	18.2	12.7	11.5	13.5	6.1	-2.9
Average capacity utilization rate ²	72.1	72.7	72.8	72.8	70.9	72.2	72.5	72.7	72.4	73.4	72.5	72.5	73.5	72.5	73.6	72.7
Facility investment pressure ³	-2.1	3.5	0.9	0.9	-7.2	-4.7	0.3	3.7	4.8	4.4	1.9	3.1	1.3	1.3	4.7	-0.2

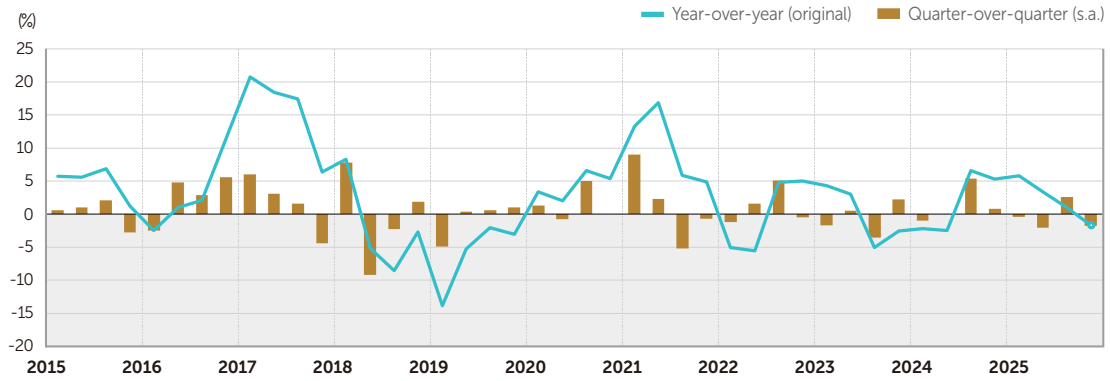
Sources: Statistics Korea; Korea International Trade Association.

¹ Preliminary.

² Utilization rate for the period, %.

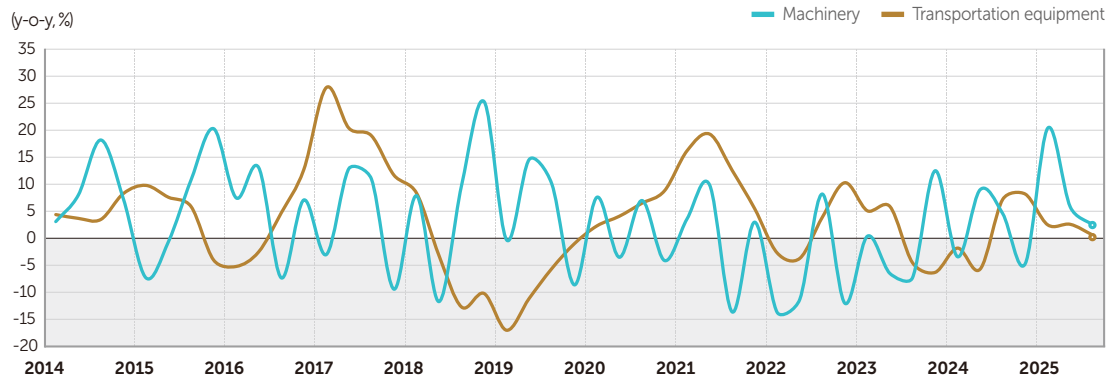
³ Production growth rate minus production capacity growth rate in the manufacturing sector, %p.

Facility investment



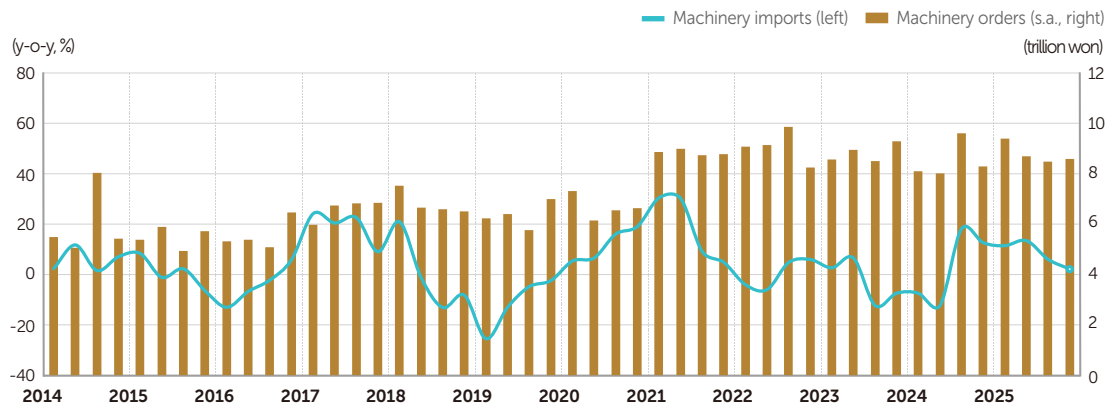
Source: National account, Bank of Korea.

Facility investment by type



Source: National account, Bank of Korea.

Leading indicators of facility investment



Sources: Statistics Korea; Korea International Trade Association.

5. Construction investment

Construction investment (*advance estimate of GDP*) in the fourth quarter of 2025 decreased by 3.9 percent quarter-on-quarter, and by 7.4 percent year-on-year.

(Percentage change from previous period)

	2023	2024	2025	2023				2024				2025			
	Annual ¹	Annual ¹	Annual ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ²
Construction investment	-	-	-	-0.2	-0.5	1.5	-3.9	4.5	-3.3	-3.6	-4.1	-3.1	-1.2	0.6	-3.9
(y-o-y)	-0.5	-3.3	-9.9	0.1	0.3	1.1	-3.1	1.6	-1.2	-6.2	-6.4	-13.3	-11.4	-7.5	-7.4
- Building construction	-2.4	-5.0	-	-1.7	-0.4	0.7	-5.3	4.6	-3.9	-4.6	-2.4	-5.4	0.1	-0.8	-
- Civil engineering works	5.0	1.3	-	4.3	-0.9	3.9	-0.5	4.3	-2.1	-1.2	-8.1	2.6	-4.0	4.2	-

Source: National accounts, Bank of Korea.

¹ Preliminary estimate.

In December, construction completed (*constant*) increased by 12.1 percent month-on-month, led by increases in both building construction and civil engineering. The index fell 4.2 percent year-on-year.

(Percentage change from previous period)

	2023	2024	2025	2023				2024				2025						
	Annual	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ¹	Oct	Nov ¹	Dec ¹
Construction completed (constant)	-	-	-	3.4	-0.4	1.9	-4.2	7.7	-8.2	-3.8	-5.1	-6.4	-3.2	2.7	-8.7	-21.1	6.6	12.1
(y-o-y)	7.8	-4.7	-16.2	12.0	9.5	10.8	0.8	4.0	-3.1	-9.1	-9.7	-21.2	-17.4	-11.8	-14.3	-24.8	-17.0	-4.2
- Building construction	9.9	-6.7	-17.3	6.3	-1.3	1.3	-5.7	9.2	-10.0	-5.3	-4.3	-5.7	-4.6	1.1	-6.8	-22.8	9.6	13.7
- Civil engineering works	1.8	2.0	-13.0	-5.6	2.7	3.8	0.6	3.2	-2.5	0.9	-7.3	-8.4	1.0	7.0	-13.7	-16.5	-1.1	7.4

Source: Statistics Korea.

¹ Preliminary.

The construction investment outlook is mixed, as an increase in construction orders received is offset by a decrease in building permits.

(Percentage change from same period in previous year)

	2023	2024	2025	2023				2024				2025				
	Annual	Annual	Annual ¹	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ¹	Dec ¹
Construction orders received (current value)	-18.3	10.9	4.3	-14.5	-31.2	-43.2	23.2	-10.4	20.7	26.8	9.7	1.1	-5.4	29.4	-2.0	18.7
(% change from previous period)	-	-	-	19.7	-15.6	-5.6	19.7	-8.2	15.6	0.8	8.1	-18.8	6.6	36.1	-19.5	7.4
- Building construction	-30.5	17.5	13.9	-27.4	-43.8	-48.3	8.5	-12.5	24.1	25.3	28.9	24.0	13.2	31.6	-1.2	21.2
- Civil engineering works	23.9	-1.8	-18.1	32.2	20.1	-23.1	59.2	-6.2	14.3	30.8	-22.4	-41.6	-43.8	23.9	-4.4	13
Building permits ²	-23.1	-9	-10.5	-8.7	-27.6	-30.3	-23.7	-16.2	-22.2	-5.4	10.8	-23.3	-8.7	-5.6	-5.0	-14.9
Apartment presales ³	21.1	25	21.8	3.5	4.0	5.1	8.6	5.8	5.8	5.7	7.7	2.3	4.7	7.4	7.3	2.6

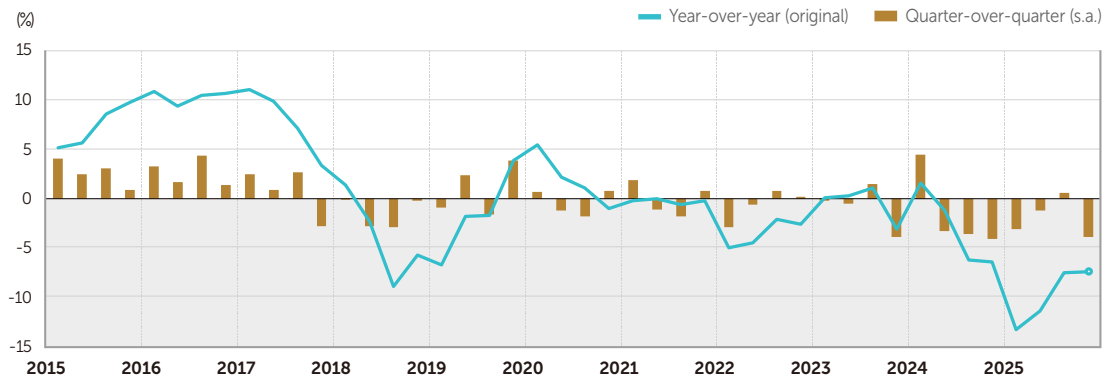
Sources: Statistics Korea; Ministry of Land Infrastructure and Transport; Real Estate 114.

¹ Preliminary.

² Gross Floor Area.

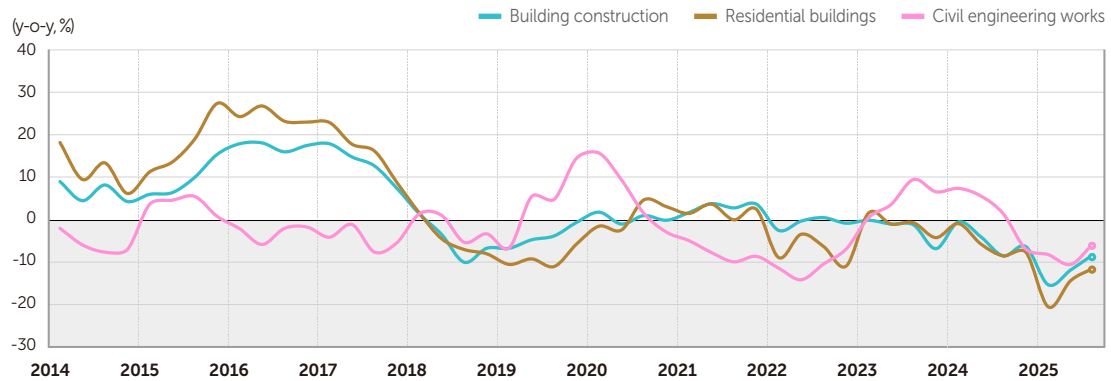
³ Thousand housing units.

Construction investment



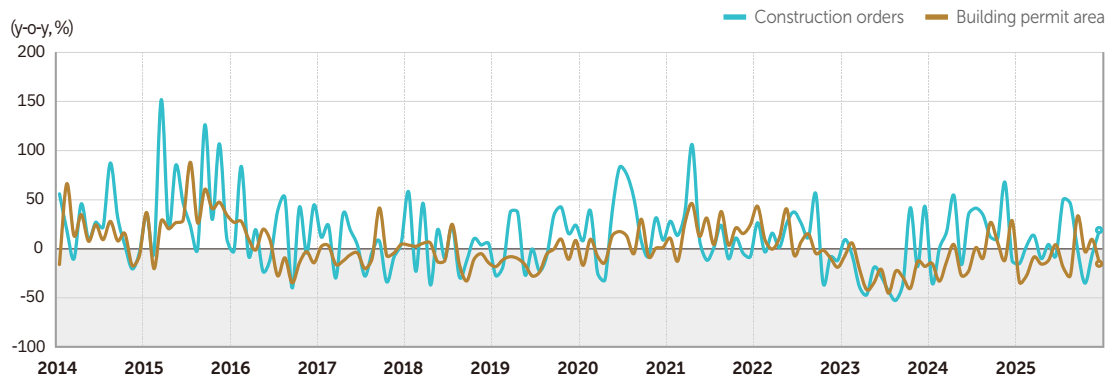
Source: National account, Bank of Korea.

Construction investment by type



Source: National account, Bank of Korea.

Leading indicators of construction investment



Sources: Statistics Korea; Ministry of Land, Infrastructure and Transport.

6. Exports and imports (Preliminary Estimate)

Exports grew by 33.9 percent year-on-year to US \$65.9 billion in January.

Exports of semiconductor, computers and automobiles increased, while exports of petrochemicals decreased. In terms of export markets, exports to China, US and ASEAN increased while exports to Japan and CIS declined.

The average daily amount of exports, which factors in the number of working days, rose by 14.0 percent year-on-year to US \$2.8 billion.

Imports rose by 11.7 percent year-on-year to US \$57.1 billion in January.

The trade balance recorded a surplus for the past twelve consecutive months, totaling US \$8.7 billion in January.

(US \$ billion)

	2023	2024	2025	2024				2025				2024	2025	2026
	Annual	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Dec	Dec	Jan
Exports	632.2	683.6	709.4	163.3	171.5	173.7	175.2	159.5	175.1	184.9	18.8	61.4	69.6	65.9
(y-o-y, %)	-7.5	8.1	3.8	8.0	10.1	10.5	4.2	-2.3	2.1	6.5	8.4	6.6	13.3	33.9
Average daily exports	2.3	2.5	2.6	2.4	2.6	2.5	2.6	2.5	2.4	2.6	2.9	2.7	2.9	2.8
Imports	642.6	631.8	631.8	155.1	157.0	160.0	160.0	152.6	154.3	162.4	162.2	54.9	57.4	57.1
(y-o-y, %)	-12.1	-1.6	-0.0	-10.9	-1.4	6.2	0.9	-1.4	-1.7	1.5	1.4	3.3	4.6	11.7
Average daily imports	2.4	2.3	2.4	2.3	2.4	2.3	2.3	2.4	2.3	2.6	2.5	2.7	2.4	2.4
Trade balance	-10.4	51.8	77.7	8.2	14.5	13.6	15.2	6.9	20.9	22.5	27.7	6.5	12.2	8.7

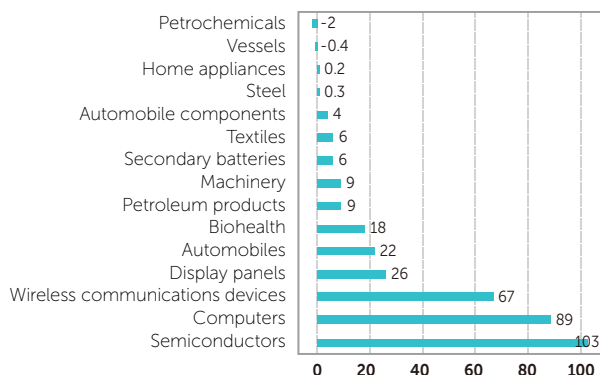
Source: Korea Customs Service.

Export growth and share by region in Jan 2026

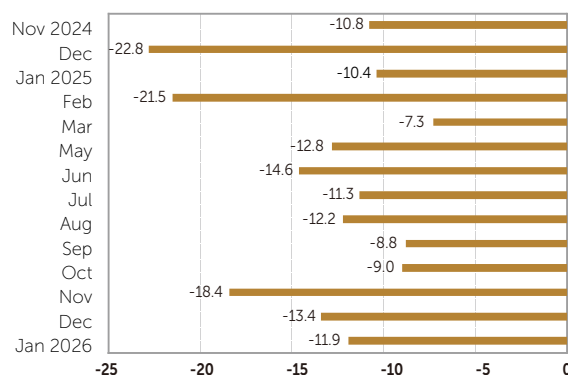
	Growth (y-o-y, %)	Share (%)
China	47	21.9
ASEAN countries	41	19.2
US	30	18.3
Latin America	19	3.8
Middle East	18	2.2
India	15	2.7
EU	7	7.9
CIS countries	-2	-
Japan	-5	3.6

¹ Cumulative total since January 2025.

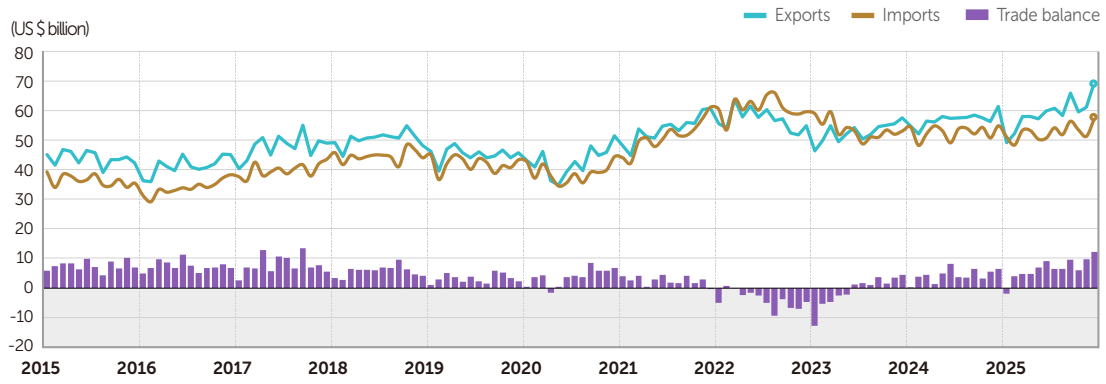
Export growth by item in Dec 2025 (y-o-y, %)



Energy Imports (y-o-y, %)

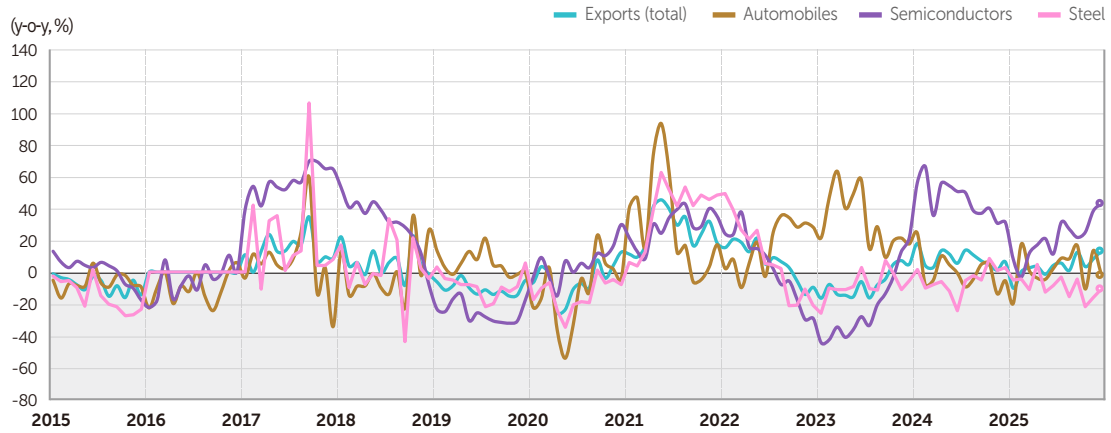


Exports and imports



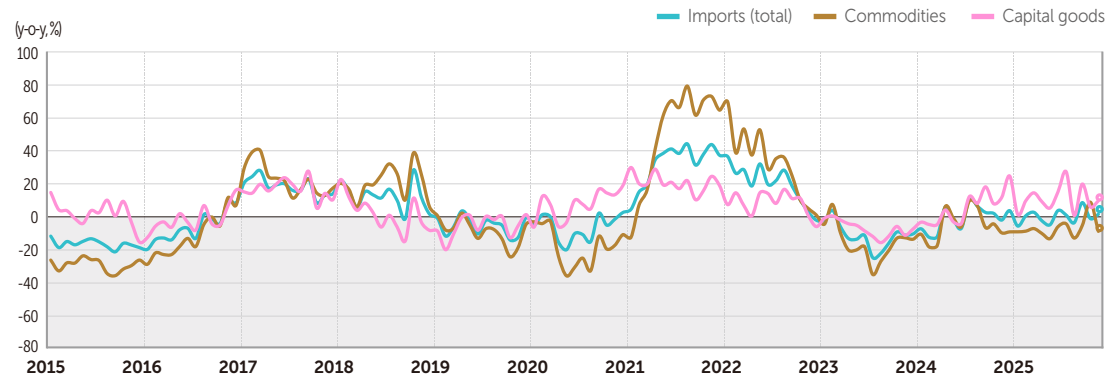
Sources: Korea Customs Service.

Export growth by item



Sources: Korea Customs Service.

Import growth by category



Sources: Korea Customs Service.

7. Employment

In January, the number of employed workers increased by about 108,000 year-on-year to 27,986,000 and the employment rate (*aged 15 and above*) remained unchanged at 61.0 percent.

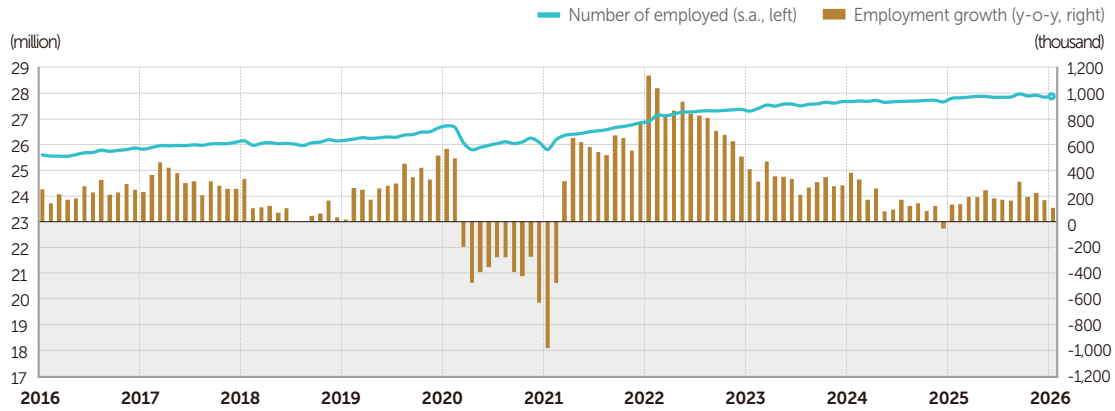
By sector, employment growth was led by an increase in the number of jobs in the following sectors: healthcare and social welfare services, transportation and storage, and arts, sports and recreation related services.

In terms of job growth by employment type, the number of permanent workers and temporary workers increased, while the number of day laborers declined.

	2023	2024	2025	2025												2026
	Annual	Annual	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Number of employed (million)	28.42	28.58	28.77	27.88	28.18	28.89	28.89	29.16	29.09	29.03	28.97	29.15	29.04	29.05	28.21	27.99
Employment rate (%)	62.6	62.7	62.9	61.0	61.7	62.5	63.2	63.8	63.6	63.4	63.3	63.7	63.4	63.4	61.5	61.0
(Seasonally adjusted)	-	-	-	62.8	62.9	62.9	62.9	62.9	62.8	62.8	62.8	63.1	62.9	62.9	62.7	62.8
- 15 to 64	69.2	69.5	69.8	68.8	68.9	69.3	69.9	70.5	70.3	70.2	69.9	70.4	70.1	70.2	69.6	69.2
Employment growth (y-o-y, thousand)	327	159	193	135	136	193	194	245	183	171	166	312	193	225	168	108
- Manufacturing	-43	-6	-73	-56	-74	-112	-124	-67	-83	-78	-61	-61	-51	-41	-63	-23
- Construction	-9	-49	-125	169	-167	-185	-150	-106	-97	-92	-132	-83	-123	-131	-63	-20
- Services	385	239	492	349	401	567	606	549	494	460	484	588	481	516	403	256
· Wholesale & retail	-37	-61	-1	-91	-65	-26	-3	18	10	13	0	28	46	11	44	23
· Hotels & restaurants	114	25	-3	27	56	56	1	-67	-38	-71	0	26	22	-22	-22	-16
· Healthcare & social welfare service	143	83	237	119	192	212	218	233	216	263	304	304	280	281	220	185
- Wage workers	327	214	275	180	177	259	277	329	314	287	270	386	311	294	214	121
· Permanent workers	478	183	283	224	233	234	279	362	318	319	348	340	286	258	195	192
· Temporary workers	-61	154	46	72	36	126	52	25	58	16	-12	2	79	65	-7	-97
· Day laborers	-90	-122	-55	-116	-92	-100	-54	-59	-63	-48	-67	44	-55	-29	25	26
- Nonwage workers	0	-55	-81	-45	-41	-66	-83	-84	-130	-116	-103	-75	-118	-70	-46	-13
· Self-employed	57	-32	-38	-28	-14	-2	-6	-22	-66	-65	-70	-55	-98	-38	12	45
- Male	24	-29	20	-56	-42	2	33	49	7	16	20	67	22	22	95	33
- Female	303	188	174	191	178	191	161	196	177	155	146	244	171	203	73	75
- 15 to 29	-98	-144	-178	-218	-235	-206	-174	-150	-173	-158	-219	-146	-163	-177	-112	-175
- 30 to 39	54	90	102	98	116	109	93	132	116	93	96	133	80	76	83	101
- 40 to 49	-54	-81	-50	-71	-78	-49	51	-39	-55	-56	-73	-45	-38	-9	-33	-3
- 50 to 59	59	28	-26	-14	-8	-26	-14	-68	-53	-49	-38	-11	-19	2	-11	45
- 60 and above	366	266	345	340	342	365	340	370	348	342	401	381	334	333	241	141

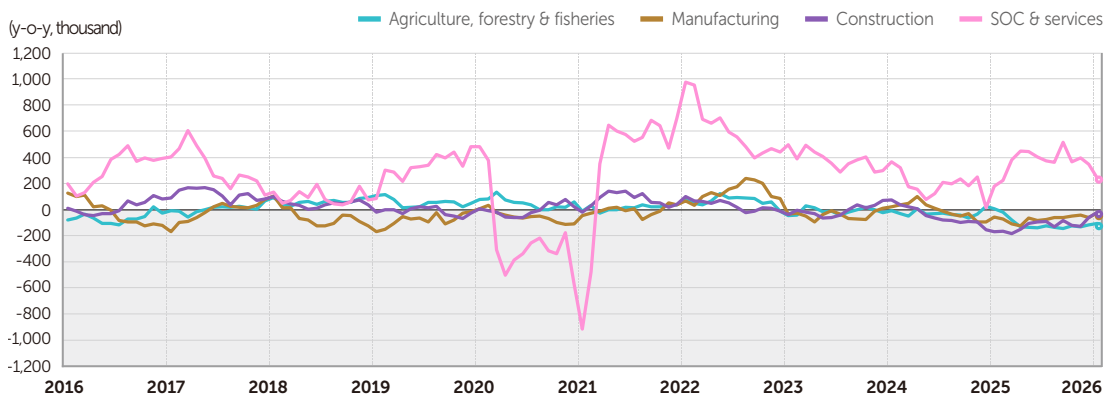
Source: Statistics Korea.

Number of employed workers and employment growth



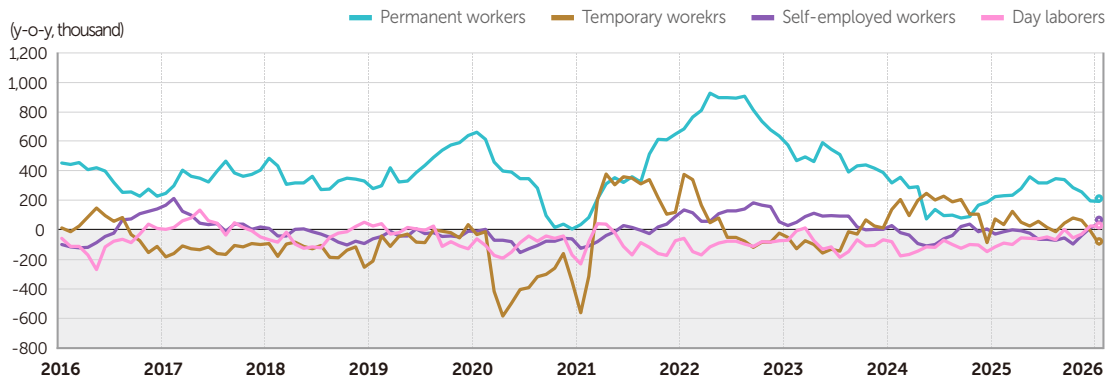
Source: Employment trends, Statistics Korea.

Employment growth by industry



Source: Economically active population survey, Statistics Korea.

Employment growth by type of employment



Source: Economically active population survey, Statistics Korea.

In January, the number of unemployed workers increased by about 128,000 year-on-year to 1,211,000 and the unemployment rate rose by 0.4 percent points to 4.1 percent.

	2023	2024	2025	2025												2026
	Annual	Annual	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Number of unemployed (thousand)	787	823	830	1,083	940	918	854	853	825	726	592	635	658	661	1,217	1,211
Unemployment growth (y-o-y, thousand)	-46	36	7	11	25	26	-32	-32	-32	-11	28	12	-20	5	103	128
- Male	-14	18	13	-17	15	5	0	-17	-1	16	23	52	4	29	47	36
- Female	-32	18	-6	28	10	21	-31	-15	-32	-27	4	-39	-24	-24	55	49
Unemployment rate (%)	2.7	2.8	2.8	3.7	3.2	3.1	2.9	2.8	2.8	2.4	2.0	2.1	2.2	2.2	4.1	4.1
(Seasonally adjusted)	-	-	-	2.9	2.7	2.9	2.7	2.7	2.6	2.5	2.6	2.5	2.6	2.7	4.0	3.0
- 15 to 29	5.9	5.9	6.1	6.0	7.0	7.5	7.3	6.6	6.1	5.5	4.9	4.8	5.3	5.5	6.2	6.8
- 30 to 39	2.6	2.7	2.7	2.6	2.8	2.9	2.8	2.6	2.8	2.5	2.5	2.6	2.7	2.9	3.0	3.0
- 40 to 49	1.9	1.9	2.0	2.0	2.3	2.2	2.1	2.3	2.0	2.0	1.7	1.7	1.7	1.8	1.9	1.8
- 50 to 59	1.7	1.8	1.8	1.8	1.9	2.1	2.1	2.1	2.1	1.8	1.4	1.6	1.5	1.4	1.6	1.7
- 60 and above	2.6	2.9	2.8	7.0	3.6	2.6	1.9	2.2	2.2	1.7	1.0	1.2	1.4	1.2	8.4	8.3

Source: Statistics Korea.

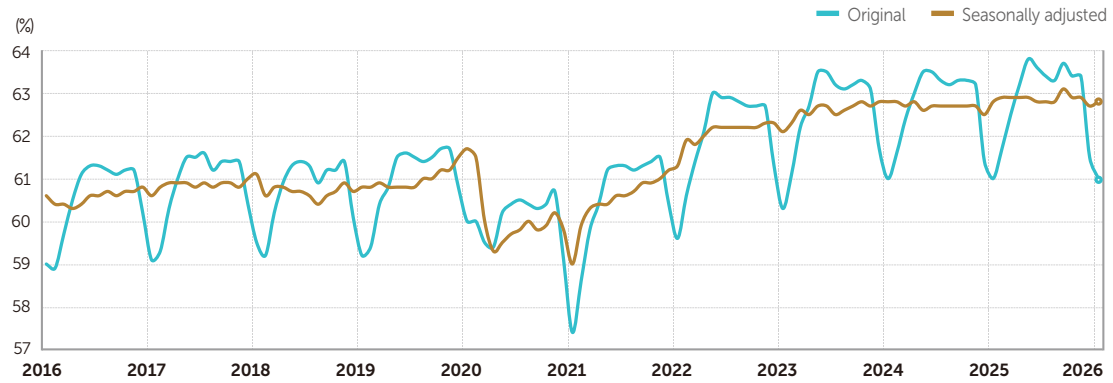
In January, the economically inactive population increased by 4,000 year-on-year to 16,717,000 and the labor force participation rate rose 0.2 percent points to 63.6 percent.

The number of people economically inactive because of childcare or job seeking fell, while retraining or taking time off increased.

	2023	2024	2025	2025												2026
	Annual	Annual	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Economically inactive population (million)	16.2	16.2	16.2	16.7	16.6	16.2	16.0	15.7	15.8	16.0	16.2	16.0	16.1	16.1	16.5	16.7
Labor force participation rate (%)	64.3	64.5	64.7	63.4	63.7	64.6	65.1	65.6	65.4	65.0	64.6	65.0	64.8	64.8	64.7	63.6
(Seasonally adjusted)	-	-	-	64.7	64.8	65.0	64.8	64.7	64.5	64.4	64.4	64.8	64.5	64.6	65.0	64.7
Growth in economically inactive population (y-o-y, thousand)	-134	-32	-8	15	7	-40	18	-22	42	8	9	-116	38	-10	-49	4
- Childcare	-140	-113	-64	-96	-95	-86	-58	-39	-32	-29	-48	-68	-63	-65	-90	-95
- Housework	-1	45	7	11	-5	-2	47	3	20	60	13	-25	14	-44	-8	-14
- Retraining	11	-54	1	24	-24	-13	-8	-12	7	47	21	25	17	36	-16	-34
- Old age	-31	47	-28	4	2	-16	-30	-56	-43	-36	-50	-40	-41	-16	-11	26
- Rest	74	117	88	128	123	71	45	56	6	69	73	42	135	124	124	110
- Job seeking	-88	-48	5	-7	14	27	30	56	34	-12	11	-8	-38	-13	-37	-28

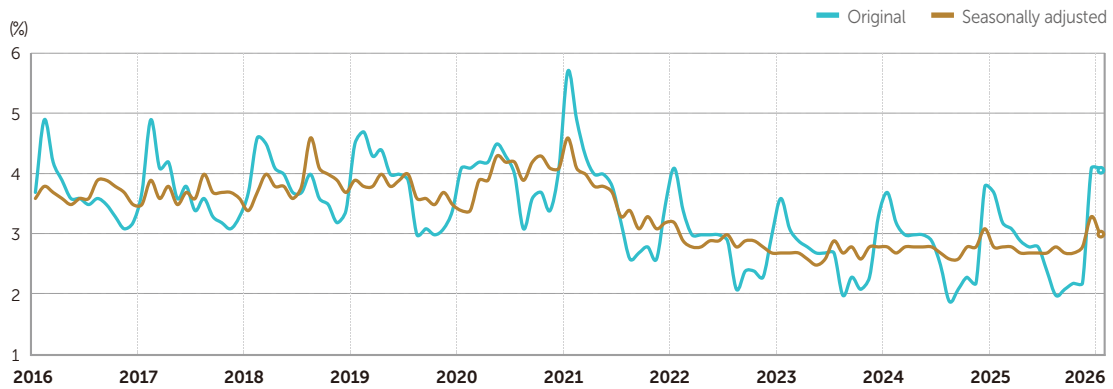
Source: Statistics Korea.

Employment rate



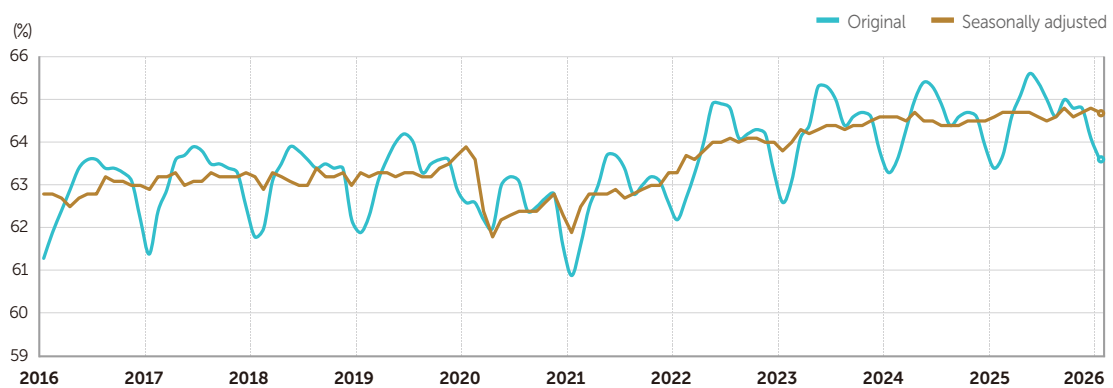
Source: Employment trends, Statistics Korea.

Unemployment rate



Source: Employment trends, Statistics Korea.

Labor force participation



Source: Employment trends, Statistics Korea.

8. Prices

In January, the Consumer Price Index (CPI) grew 2.0 percent from a year ago, led by higher prices of agricultural and fishery products prices, and oil. The CPI rose 0.3 percent month-on-month.

Prices for consumer goods excluding food and energy rose 2.0 percent year-on-year in January. Prices for consumer goods excluding crops and oil products rose 2.3 percent.

The prices index for basic necessities rose 2.2 percent year-on-year in January. The fresh food price index fell 0.2 percent.

(Percentage change from same period in previous year)

	2024			2025												2026
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
CPI (y-o-y)	1.6	1.3	1.5	1.9	2.2	2.0	2.1	2.1	1.9	2.2	2.1	1.7	2.1	2.4	2.3	2.0
(m-o-m)	0.1	0.0	-0.3	0.4	0.7	0.3	0.2	0.1	-0.1	0.0	0.2	-0.1	0.5	0.3	-0.2	0.3
Excluding food and energy	1.8	1.9	1.8	1.9	1.8	1.9	2.1	2.0	2.0	2.0	1.3	2.0	2.2	2.0	2.0	2.0
Excluding crops and oil products	1.7	1.8	1.8	2.0	1.9	2.1	2.4	2.3	2.4	2.3	1.9	2.4	2.5	2.3	2.3	2.3
Basic necessities	1.2	1.6	2.2	2.5	2.6	2.4	2.4	2.3	2.5	2.5	1.5	2.5	2.5	2.9	2.8	2.2
Fresh food	1.6	0.4	2.9	0.7	-1.4	-1.3	-1.9	-5.0	-1.7	-0.5	2.1	-2.5	-0.8	4.1	1.8	-0.2

Source: Statistics Korea.

In January, the growth of agricultural, fishery and livestock prices slowed down due to further decrease of vegetable prices and higher slaughtering volume. Domestic gas and oil prices in January decreased compared to the previous month, which reflects the decline in international oil prices from the previous month.

(Percentage change from same period in previous year)

	Farm and fishery products	Manufactured products	Petroleum products	Public utilities	Housing rents	Public services	Personal services
Dec 2025	4.1	2.2	6.1	0.4	0.9	1.4	2.9
Jan 2026	2.6	1.7	0.0	0.2	0.9	1.6	2.8
Contribution (%p)	0.2	0.6	0.0	0.0	0.1	0.2	1.0

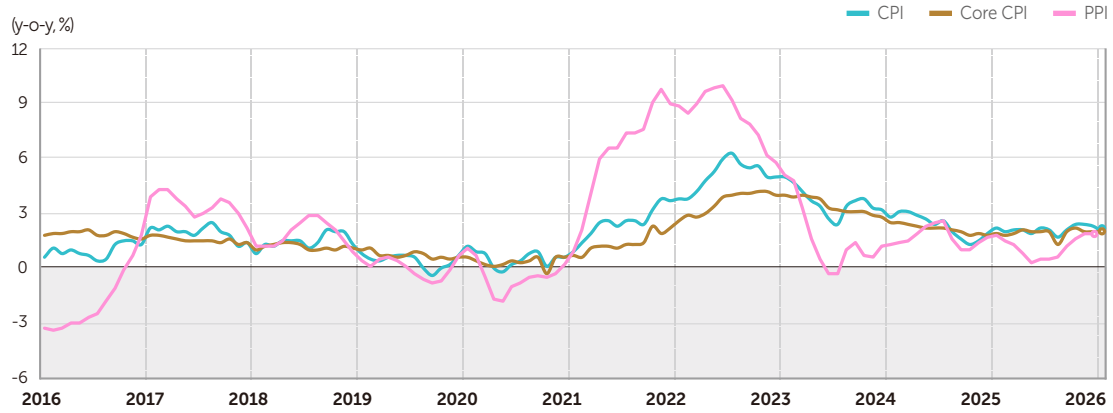
Source: Statistics Korea.

(Won/liter, period average)

	2024	2025	2024				2025				2026		
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Nov	Dec	Jan
Gasoline prices	1,647	1,680	1,607	1,681	1,674	1,624	1,708	1,642	1,665	1,707	1,718	1,740	1,704
Diesel prices	1,503	1,553	1,512	1,528	1,510	1,460	1,570	1,507	1,533	1,602	1,619	1,650	1,600

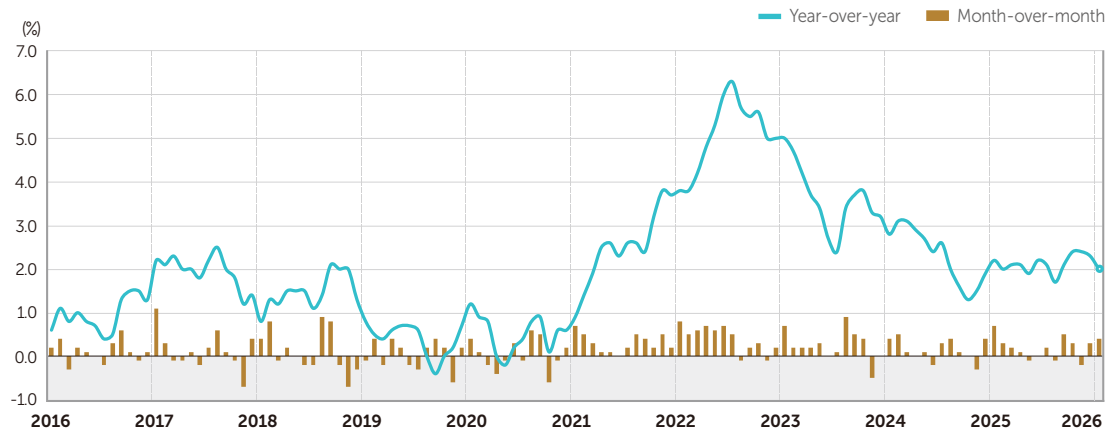
Source: Korea National Oil Corporation.

Prices



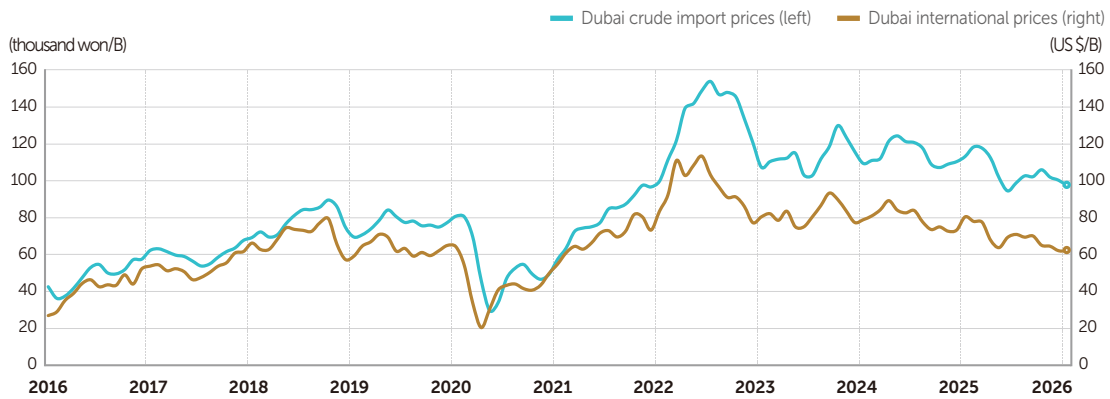
Sources: Consumer price trends, Statistics Korea; Bank of Korea.

Consumer price inflation



Source: Consumer price trends, Statistics Korea.

Dubai crude prices and import prices



Source: Korea National Oil Corporation.

In January, international oil prices rose from the previous month due to a cold wave impacting countries in the Northern Hemisphere and geopolitical risks including growing tension between the US and Iran despite the US lifting its oil embargo on Venezuela.

In January, international grain prices fell compared to the previous month due to prospects of increased production owing to favorable harvests, despite concerns of cold weather impacting crops.

Non-ferrous metal prices rose month-on-month, driven by Indonesia's plan to reduce supply and labor strikes in Chile's mines.

(Period average)

	2024	2025	2024				2025					2026	
	Annual	Annual	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Nov	Dec	Jan
Dubai crude ¹	79.6	69.4	73.6	76.9	63.7	70.1	76.9	67.0	70.1	63.8	64.5	62.1	62.0
WTI crude ¹	75.8	64.7	70.3	71.4	67.0	65.0	71.4	63.7	65.0	59.1	59.5	57.9	60.3
Brent crude ¹	79.9	68.2	74.0	75.0	66.7	68.2	75.0	66.7	68.2	63.1	63.7	61.6	64.7
Reuters Index ²	3,086	3,025	2,949	3,112	3,081	3,203	3,151	2,996	2,979	2,975	2,979	2,984	3,004

Source: Korea National Oil Corporation; Korea PDS.

¹ US \$/barrel.

² A weighted average index of 17 major commodities (Sep 18, 1931=100)

International grain prices growth Jan 2026 (m-o-m, %)

Corn	-3.1
Soybeans	-2.0
Wheat	-0.9

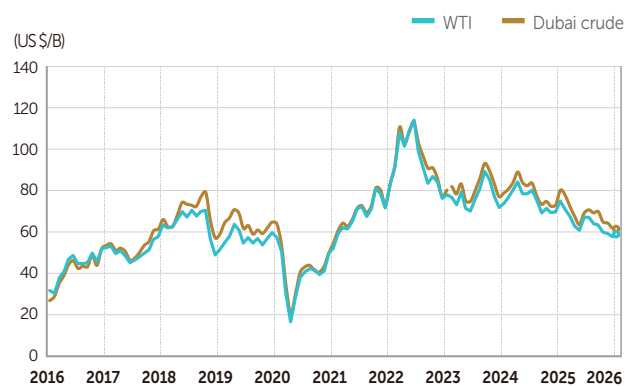
Note: Monthly average prices.

Nonferrous metal prices growth in Jan 2026 (m-o-m, %)

Nickel	19.9
Copper	10.9
Aluminum	9.5

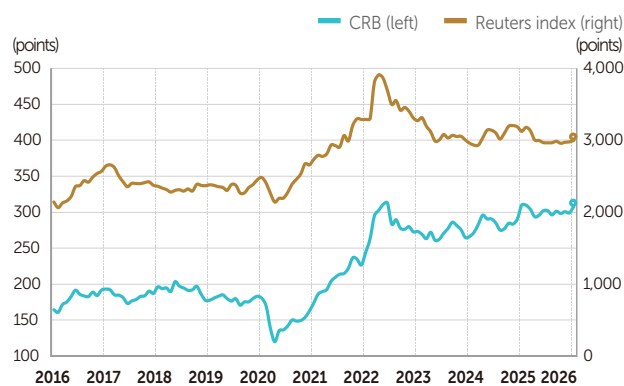
Note: Monthly average prices.

International oil prices



Source: Korea National Oil Corporation.

International commodity prices



Source: Korea PDS

9. Housing market

Nationally, housing sales prices rose 0.28 percent month-on-month in January.

Within the Seoul metropolitan area, housing sales prices rose 0.51 percent, increasing 0.80 percent in Seoul and 0.36 percent in Gyeonggi Province, and 0.07 percent in Incheon.

In the areas excluding the Seoul metropolitan, housing sales prices rose 0.06 percent, increasing 0.08 percent in the five metropolitan cities and 0.05 percent in the eight provinces on average.

Housing sales prices

(Percentage change from previous period)

	2021	2022	2023	2024	2025	2025				2026
	Annual	Annual	Annual	Annual	Annual	Jan	Oct	Nov	Dec	Jan
Nationwide	9.9	-4.7	-3.6	0.1	1.0	-0.10	0.29	0.24	0.26	0.28
Seoul metropolitan area	12.8	-6.5	-3.6	1.4	2.9	-0.06	0.60	0.45	0.46	0.51
- Seoul	6.5	-4.8	-2.0	3.2	7.1	0.04	1.19	0.77	0.80	0.91
· Southern Seoul	6.8	-4.1	-1.5	3.6	9.2	0.05	1.42	1.02	1.03	1.07
· Northern Seoul	6.1	-5.4	-2.4	2.8	4.9	0.02	0.94	0.50	0.55	0.73
Areas excluding the Seoul metropolitan area	7.4	-3.0	-3.5	-1.1	-0.7	-0.14	0.00	0.04	0.07	0.06

Source: Korea Real Estate Board.

Housing sales prices in six major cities in Jan 2026 (m-o-m, %)

Busan	Daegu	Gwangju	Daejeon	Ulsan	Sejong
0.16	-0.11	0.00	-0.04	0.46	0.17

Nationally, housing rental prices increased 0.27 percent in January compared to the previous month.

By region, housing rental prices rose 0.37 percent in the Seoul metropolitan area and 0.17 percent in other areas.

Housing rental prices

(Percentage change from previous period)

	2021	2022	2023	2024	2025	2025				2026
	Annual	Annual	Annual	Annual	Annual	Jan	Oct	Nov	Dec	Jan
Nationwide	6.5	-5.6	-5.1	1.3	0.9	-0.02	0.18	0.24	0.28	0.27
Seoul metropolitan area	7.7	-8.0	-5.7	3.1	1.8	-0.02	0.30	0.38	0.42	0.37
- Seoul	4.9	-6.5	-5.3	3.3	3.0	0.00	0.44	0.51	0.53	0.46
· Southern Seoul	5.1	-6.9	-5.8	2.9	3.9	0.01	0.58	0.68	0.68	0.47
· Northern Seoul	4.7	-6.2	-4.7	3.6	2.1	0.00	0.29	0.33	0.37	0.45
Areas excluding the Seoul metropolitan area	5.5	-3.3	-4.4	-0.4	0.1	-0.02	0.07	0.12	0.15	0.17

Source: Korea Real Estate Board.

Housing rental prices in major districts in Jan 2026 (m-o-m, %)

Seocho	Songpa	Gangdong	Hanam	Youngtong
1.71	0.67	0.93	1.30	1.58

Source: Korea Real Estate Board.

There were 62,893 housing sales transactions in December, an increase of 2.4 percent month-on-month (61,407 in November 2025) and an increase of 37.0 percent year-on-year (45,921 in December 2024).

Housing sales transactions

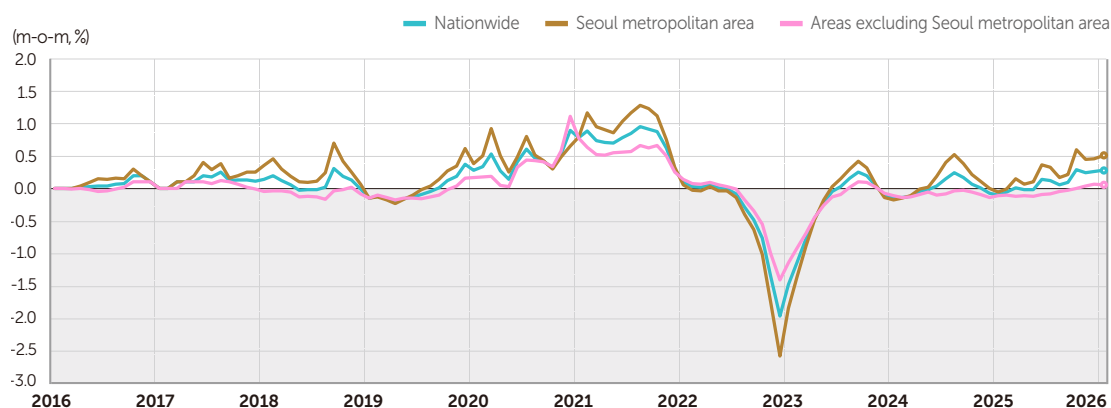
(Thousand)

	2022	2023	2024	2025	2024	2025											
	Annual ¹	Annual ¹	Annual ¹	Annual ¹	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Nationwide	42	46	54	61	46	38	51	67	65	63	74	64	46	63	70	61	63

Source: Ministry of Land, Infrastructure and Transport.

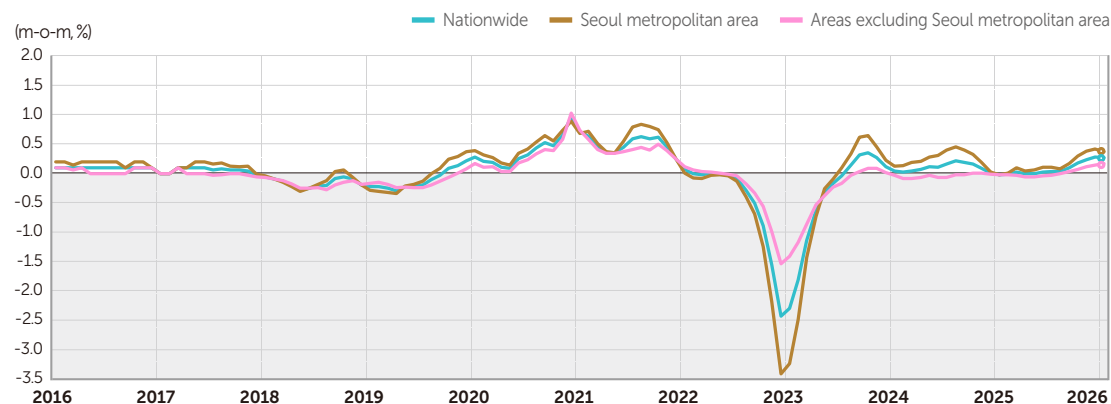
¹ Monthly average.

Housing sales prices



Source: Korea Real Estate Board

Housing rental prices



Source: Korea Real Estate Board

Financial Markets

1. Stock market

The Korean equity markets, KOSPI and KOSDAQ, climbed significantly owing to strong semiconductor market conditions.

	KOSPI			KOSDAQ		
	Dec 2025	Jan 2026	Change	Dec 2025	Jan 2026	Change
Stock price index (points)	4,214.17	5,224.36	1,010.19 (23.97%)	925.47	1,149.44	223.97 (24.20%)
Market capitalization (trillion won)	3,447.8	4,318.6	870.8 (25.26%)	505.9	630.5	124.6 (24.63%)
Daily trade (trillion won)	14.4	27.1	12.7 (88.19%)	11.5	14.9	3.4 (29.57%)
Foreign stock ownership (% , %p)	36.28	37.44	1.16 (3.20%)	9.92	10.44	0.52 (5.24%)

Source: Korea Exchange.
 Note: The figures are closing rate.

2. Bond market

The government issued 17.9 trillion won worth of treasury bonds in January.

(End-period, trillion won)

	2022	2023	2024	2025	2025												2026
	Annual	Annual	Annual	Annual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Treasury bonds issuance ¹	168.6	165.7	157.7	226.2	18.3	21.3	20.7	20.9	19.0	23.8	21.2	21.0	21.5	17.7	15.6	5.4	17.9

Source: Monthly public finance, Ministry of Finance and Economy
¹ Issuance limit is 231.1 trillion won in 2025.

Korean Treasury bond yields rose significantly in January.

Yields to maturity in Jan 2026 (m-o-m, basis points)

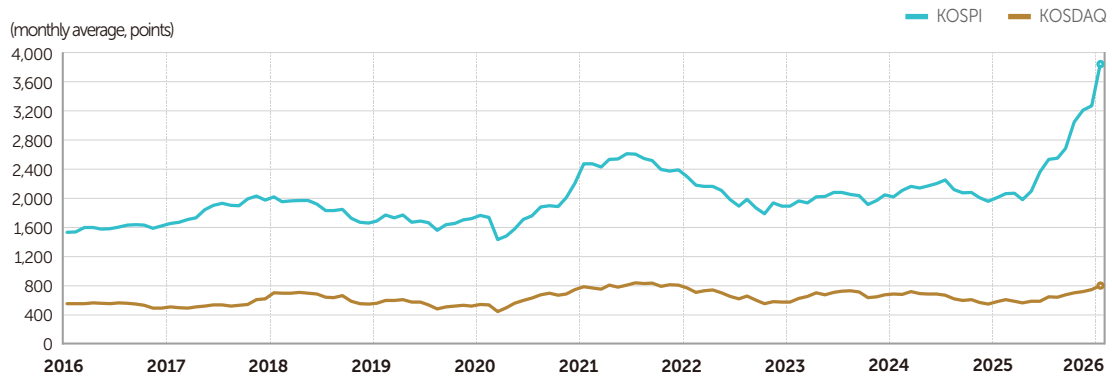
3 yrs	5 yrs	10 yrs	20 yrs	30 yrs
19	20	17	21	23

(Percent per annum)

	2018	2019	2020	2021	2022	2023	2024	2025		2026	
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Nov	Dec	Jan	Change ¹
Call rate (1 day)	1.89	1.39	0.61	1.44	3.38	3.91	3.33	2.51	2.63	2.55	-8
CD (91 days)	1.93	1.53	0.66	1.29	3.98	3.83	3.39	2.80	2.81	2.73	-8
Treasury bonds (3 yrs)	1.82	1.36	0.98	1.80	3.72	3.15	2.60	2.99	2.95	3.14	19
Treasury bonds (5 yrs)	1.88	1.48	1.34	2.01	3.74	3.16	2.76	3.18	3.24	3.44	20
Corporate bonds (3 yrs)	2.29	1.94	2.21	2.42	5.23	3.90	3.28	3.43	3.48	3.66	18

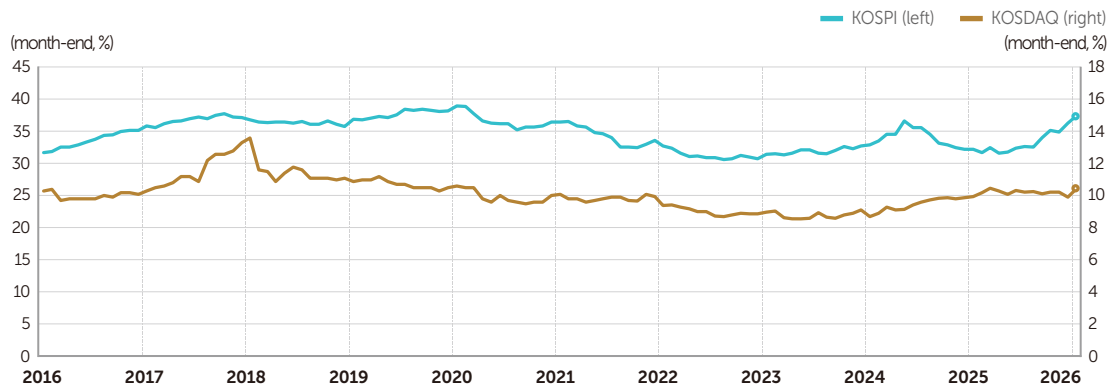
Source: Bank of Korea.
 Note: Figures are closing rate.
¹ Change from the previous month as of end-Jan 2026, basis point.

Stock prices



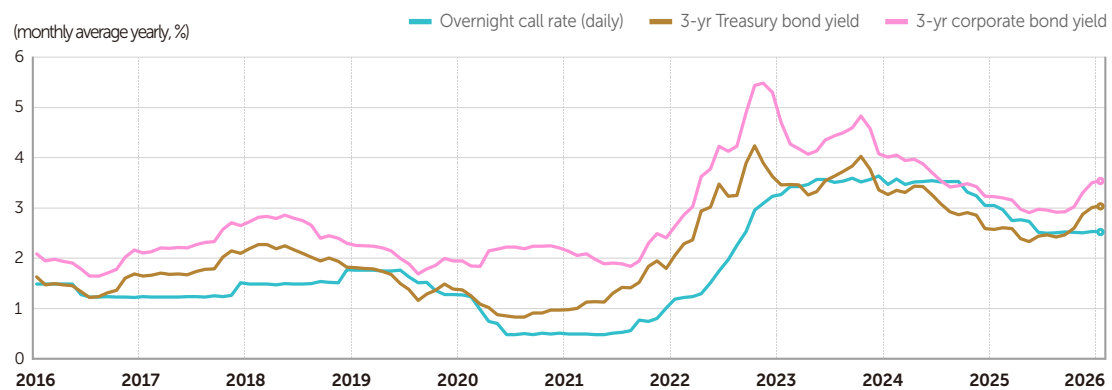
Source: Korea Exchange

Foreign stock ownership



Sources: Financial Supervisory Service, Korea Exchange

Interest rates



Source: Bank of Korea.

3. Foreign exchange market

The won appreciated against the US Dollar in January compared to the previous month.

	2019	2020	2021	2022	2023	2024	2025	2026	
	Dec	Dec	Dec	Dec	Dec	Dec	Nov	Jan	Change ¹
Dollar-Won	1,156.4	1,086.3	1,188.8	1,264.5	1,288.0	1,472.5	1,439.0	1,439.5	-0.0
100 Yen-Won	1,059.8	1,051.2	1,032.5	945.6	912.3	934.3	917.6	932.9	-1.6
Yuan-Won	165.6	167.0	186.6	181.6	181.2	202.6	206.0	207.2	-0.6

Source: Bank of Korea.

Note: The exchange rate is based on the closing price at 3:30 pm, local time.

¹ Appreciation from the end of the previous month as of end- Jan 2026, %.

4. Money market

In December, M2 (*monthly average*) rose 4.7 percent year-on-year

(Percentage change from same period in previous year)

	2018	2019	2020	2021	2022	2023	2024	2025	2025		
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Nov	Dec ¹	Dec ²
M1 ³	4.9	4.3	20.8	21.0	4.0	-10.5	3.2	3.2	6.9	6.3	1,343.9
M2	6.3	7.0	9.3	11.7	8.5	2.9	5.6	5.6	4.8	4.7	4,089.8
Lf ⁴	7.0	7.9	8.3	9.8	7.5	3.1	5.4	5.4	6.9	6.3	6,042.8

Source: Bank of Korea.

¹ Preliminary.

² Period-average, trillion won.

³ M1 excludes corporate MMFs and individual MMFs, and includes CMAs.

⁴ Liquidity aggregates of financial institutions (mostly identical with M3).

In January, bank deposits declined, while deposits held by Asset Management Companies (AMC) climbed.

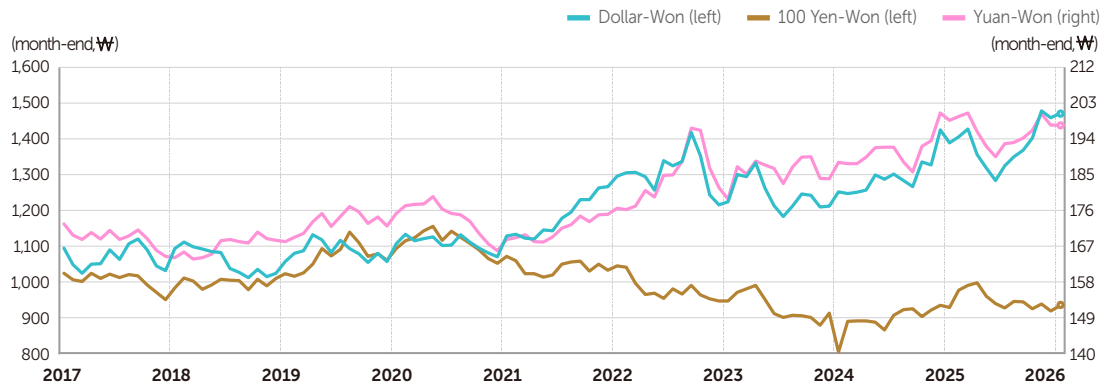
(Change from the end of the previous period, trillion won)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025			2026	
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Oct	Nov	Dec	Jan	Jan ¹
Bank deposits	80.8	79.5	91.6	106.3	188.4	198.5	110.4	76.4	111.7	-22.9	36.6	7.7	-50.8	2,483.9
AMC deposits	47.6	27.9	53.8	98.6	42.2	93.9	45.4	93.7	117.2	50.6	9.7	-3.9	91.9	1,374.9

Source: Bank of Korea.

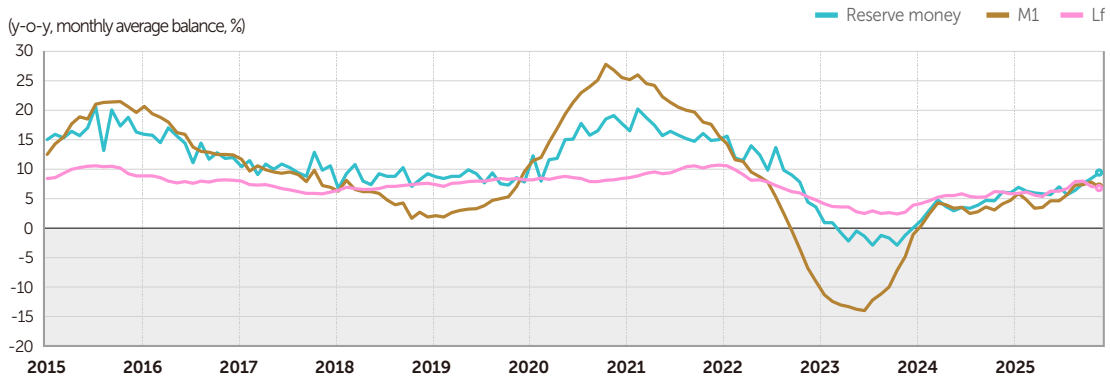
¹Balance at end- Jan 2026.

Foreign exchange rates



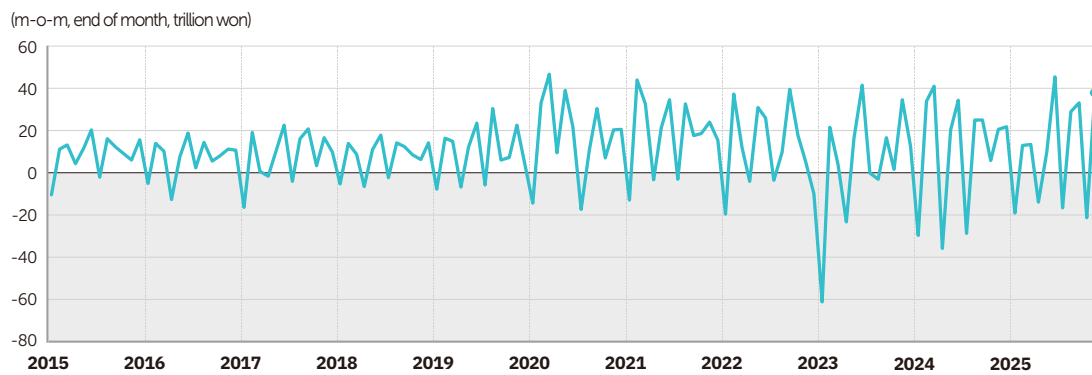
Source: Bank of Korea.

Total money supply



Source: Bank of Korea.

Total deposits of banks



Source: Bank of Korea.

5. Official foreign reserves

Korea's official foreign reserves decreased month-on-month, totaling US \$425.9 billion as of the end of January.

(US \$ billion)

	2022	2023	2024	2025	2026		Change (m-o-m)
					Jan		
Official foreign reserves	423.2	420.2	415.6	428.1	425.9	(100.0%)	-2.2
- Securities ¹	369.7	373.7	366.7	371.1	377.5	(88.6%)	6.4
- Deposits	29.4	22.0	25.2	31.9	23.3	(5.5%)	-8.6
- SDRs	14.8	15.1	14.7	15.9	15.9	(3.7%)	0.0
- IMF position ²	4.5	4.6	4.2	4.4	4.4	(1.0%)	0.0
- Gold	4.8	4.8	4.8	4.8	4.8	(1.1%)	0.0

Source: Bank of Korea.

¹ Including government bonds, government agency bonds, debentures, MBSs, ABSs, etc.

² Claims related to the IMF composed of the reserve tranche position (RTP) and loans.

6. External debt

External debt amounted to US \$766.9 billion as of the end of 2025, up US \$94.0 billion year-on-year. Short-term debt was US \$179.0 billion (*up US\$ 32.5 billion y-o-y*), and long-term debt was US \$587.8.5 billion (*up US \$61.5 billion y-o-y*). Net external assets decreased by US \$17.2 billion to US \$369.9 billion.

(End-period, US \$billion)

	2021	2022	2023	2024 ¹	2025 ¹	Change (y-o-y)
External assets (in debt instruments, A)	1,082.5	1,035.1	1,035.0	1,060.0	1,136.8	76.8
Total debt (B)	630.7	673.3	677.3	672.9	766.9	94.0
- Short-term	165.1	174.0	141.5	146.5	179.0	32.5
- Long-term	465.6	499.3	535.9	526.4	587.8	61.5
Short-term/Total debt (%)	26.2	25.8	20.9	21.8	23.3	1.6%p
Short-term/Reserve assets (%)	35.7	41.1	33.7	35.3	41.8	6.6%p
Net external assets (A-B)	451.9	361.8	357.7	387.1	369.9	-17.2

Source: Ministry of Finance and Economy, Bank of Korea.

¹ Preliminary.

Public Finance

1. Fiscal balance

The consolidated fiscal balance recorded a deficit of 43.3 trillion won in November, an increase of 15.1 trillion won year-on-year. The managed fiscal balance also recorded a deficit of 89.6 trillion won, an increase of 8.3 trillion won year-on-year.

(Trillion won, percent)

	2024					2025 ¹			Change
	Main budget (a)	Settlement (b)	Nov (Cumulative, c)	(c)/(a)	(c)/(b)	2nd supplementary budget (d)	Nov (Cumulative, e)	(e)/(d)	
A. Total revenue	612.2	594.5	542.0	88.5	91.2	642.4	581.2	90.5	39.2
B. Total spending	656.6	638.0	570.1	86.8	89.4	703.3	624.4	88.8	54.3
C. Consolidated fiscal balance (A-B)	-44.4	-43.5	-28.2	-	-	-60.8	-43.3	-	-15.1
D. Net social security fund ²	47.2	61.2	53.1	-	-	50.8	46.3	-	-6.8
E. Managed fiscal balance (C-D)	-91.6	-104.8	-81.3	-	-	-111.6	-89.6	-	-8.3

Source: Monthly public finance and Open fiscal data, Ministry of Planning and Budget.

¹ Preliminary.

² National Pension Fund, Private School Personnel Pension Fund, Industrial Accident Compensation Insurance & Prevention Fund and Employment Insurance Fund.

Fiscal balance

(Trillion won)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 ¹
Consolidated fiscal balance	-0.2	16.9	24.0	31.2	-12.0	-71.2	-30.5	-64.6	-36.8	-43.5	-43.3
Managed fiscal balance	-38.0	-22.7	-18.5	-10.6	-54.4	-112.0	-90.6	-117.0	-87.0	-104.8	-89.6

¹ Preliminary.

2. Government debt

The total amount of central government debt in November was 1,289.4 trillion won, up 14.1 trillion won from a month earlier. Korean Treasuries totaled 1,287.8 trillion won, followed by bonds at 1,180.8 trillion won, national housing bonds at 77.6 trillion won, and foreign exchange stabilization bonds at 29.4 trillion won.

(Trillion won)

	2019	2020	2021	2022	2023	2024	2025 ¹	
	Annual	Annual	Annual	Annual	Annual	Annual	Oct	Nov
Central gov't debt	699.0	819.2	939.1	1,033.4	1,092.5	1,141.2	1,275.3	1,289.4
(% of GDP)	34.3	39.8	42.3	44.5	45.5	44.8	-	-
- Treasuries (total) ²	696.3	815.2	937.0	1,031.5	1,091.1	1,139.8	1,273.8	1,287.8
· Bonds	611.5	726.8	843.7	937.5	998.0	1,047.9	1,168.6	1,180.8
· National housing bonds	76.4	78.9	82.2	82.2	81.6	79.1	76.5	77.6
· Foreign exchange stabilization bonds	8.3	9.5	11.2	11.8	11.5	12.8	28.6	29.4
- Loans	2.6	3.3	2.0	1.9	1.2	1.2	1.4	1.4
- Treasury commitments	0.1	0.7	0.1	0.1	0.2	0.2	0.2	0.2

Source: Monthly public finance and Open fiscal data, Ministry of Planning and Budget.

¹ Preliminary.

² Including debt-equity swap securities for international organizations.

Economic News Briefing

- Fitch Ratings Affirms Korea's Sovereign Credit Rating at 'AA-' with a Stable Outlook
- USD-Denominated Foreign Exchange Equalization Fund Bond Issuance
- External debt in 2025

Fitch Ratings Affirms Korea's Sovereign Credit Rating at 'AA-' with a Stable Outlook

• Key Points of Fitch Ratings' Rating Action Commentary

On January 30, global credit rating agency Fitch Ratings announced that it has maintained Korea's sovereign credit rating at 'AA-' with a stable outlook. Korea's GDP growth is projected to recover from 1.0 percent last year to 2.0 percent this year, supported by strong private consumption, with net exports expected to continue serving as an underlying growth driver, particularly on the back of semiconductor exports. However, trade-related issues with the US, including reciprocal tariffs, are cited as a remaining risk factor.



Meanwhile, Fitch revised down its estimate of Korea's potential growth rate from 2.1 percent to 1.9 percent to reflect the decline in the working-age population, while adding that the government is strengthening efforts to enhance productivity, including large-scale investments in AI and other high-tech industries, to offset downward pressure on growth stemming from demographic changes.

In addition, Fitch assessed that political volatility arising from the declaration of martial law and the impeachment of the president was resolved with the inauguration of a new government last year, and that sufficient momentum for policy implementation has been secured given the ruling party's majority in parliament.

With regard to fiscal conditions, Fitch projected that the 2026 budget would increase by 8.1 percent compared to the original 2025 budget, driven by expanded investment in AI, R&D, and high-tech industries, while the fiscal balance was expected to improve to -2.0 percent from -2.3 percent in 2025, supported by higher tax revenues amid an economic recovery. However, Fitch cautioned that a continued rise in government debt, without corresponding gains in potential growth from higher fiscal investment, could weigh on Korea's sovereign credit rating, particularly given the persistence of fiscal deficits.

Korea's external position was assessed as robust, underpinned by sustained current account surpluses and its status as a net external creditor, with net foreign assets equivalent to 23.3% of GDP, compared with an average of 17.3% for AA-rated peers. The won, which came under depreciation pressure in 2025 due to capital outflows, including increased investment by Korean residents in US equities, is expected to appreciate moderately over 2026-2027.

Fitch also viewed Korea's household debt ratio as high relative to advanced economies, but observed that it has been on a gradual downward trend. In this context, the authorities are managing household debt with the medium-term objective of keeping its growth rate below nominal GDP growth.

Concerning risks related North Korea, efforts by the new government to ease tensions on the Korean Peninsula, through enhanced exchanges, normalisation of relations, and denuclearisation, have been acknowledged; however, geopolitical tensions are unlikely to ease in the near term, given North Korea's limited incentives for dialogue amid strengthened relations with Russia and China.

- **Government's Assessment and Policy Responses**

Through this announcement, Fitch reaffirmed Korea's sovereign credit rating and outlook (AA- with a stable outlook), expressing continued confidence in the Korean economy. In particular, it reaffirmed its positive assessment of the resolution of political uncertainty following the inauguration of the new government, as well as of Korea's sound domestic and external fundamentals.

Ahead of Fitch's latest rating announcement, the Korean government had systematically engaged in the annual consultation process, including a meeting between Deputy Prime Minister Koo Yun Cheol and Fitch's annual consultation team in December last year, during which the strengths of the Korean economy were actively explained. Going forward, the government plans to continue to make proactive efforts to maintain Korea's strong external credit standing by sustaining close communication with global credit rating agencies.

USD-Denominated Foreign Exchange Equalization Fund Bond Issuance

On February 5, the Government successfully issued USD 3 billion of Foreign Exchange Equalization Fund Bonds (USD FX Fund Bonds).

The bonds were issued in dual tranches, with USD 1 billion maturing in three years and USD 2 billion maturing in five years.



Maturity	Amount	Issuance Rate ¹	Coupon Rate ²
3Y	USD 1 billion	3Y U.S. Treasury yield + 9bp = 3.683%	3.625%
5Y	USD 2 billion	5Y U.S. Treasury yield +12bp = 3.915%	3.875%

¹ Issuance rate: the benchmark rate for the same currency and maturity plus spread.

² Coupon rate: the interest rate actually paid to bondholders (for USD bonds, typically set in increments of 0.125%).

This issuance carries the following implications:

First, the issuance of three-year FX Fund Bonds at a single-digit spread of +9 basis points over U.S. Treasuries clearly demonstrates that Korean government bonds are regarded as top-tier assets in the global financial markets, reflecting the country's strong external credit standing, and that Korea faces no difficulty in raising foreign currency funding in international markets.

In particular, a spread of around 10 basis points over U.S. Treasuries – widely regarded as the world's premier safe-haven asset – is lower than or comparable to that of the highest-rated international organizations and advanced-economy sovereigns, indicating that the so-called "Korea discount" in the market for Korean credits (foreign-currency bonds issued by Korean institutions) is being steadily eliminated.

In addition, the five-year tranche set a new record low spread for the second time, following the previous issuance in October last year, once again confirming that global investors' appetite for and assessment of Korea's economy and policy direction are improving at a rapid pace.

Second, amid heightened external uncertainties stemming from rising geopolitical tensions and escalating tariff issues, the government proactively and substantially strengthened its FX reserves, which serve as a key external safety buffer by helping stabilize the FX market. The size of the current issuance (USD 3 billion) represents the largest single foreign-currency bond issuance since 2009 (USD 3 billion). Furthermore, the government has secured in advance the funds needed to redeem FX Fund Bonds maturing in September this year (JPY 33 billion, issued in 2023) and in October (EUR 700 million, issued in 2021).

Third, despite challenging issuance conditions in a volatile global financial market environment, the bonds were issued at an opportune time with careful preparatory work.

Anticipating a potential increase in market uncertainty, the government began preparations for the current FX Fund Bonds issuance in late last year to ensure the ability to issue flexibly in response to market conditions. In particular, through group calls and one-on-one virtual meetings with global investors, the government actively highlighted Korea's strengthened economic fundamentals, including its traditional manufacturing competitiveness in semiconductors, automobiles, shipbuilding, and defense, as well as enhanced soft power such as K-culture, growing AI capabilities, revitalization of the capital market including the KOSPI, and Korea's inclusion in the World Government Bond Index (WGBI).

Building on these efforts, issuance was swiftly executed during a window of reduced market volatility in recent days, amid developments such as the agreement on the U.S. budget and the prospect of U.S.-Iran negotiations, thereby attracting strong investor interest.

Fourth, following the issuance of USD FX Fund Bonds in 2024 and EUR- and USD FX Fund Bonds in 2025, the government once again successfully issued the bonds under the SSA format¹, further cementing advanced sovereign issuance practices in the global bond market and reinforcing Korea's status as a high-quality issuer.

Last but not least, the issuance helped create an environment in which Korean corporations and financial institutions can secure foreign currency more favorably in global markets. Domestic institutions seeking to raise foreign currency for overseas investment purposes are expected to access it on more advantageous terms, using the record-low spreads of this FX Fund Bond issuance as a benchmark.

¹ Sovereigns, Supranationals & Agencies (SSA) collectively refers to central banks, sovereign wealth funds, international organizations, and policy financial institutions, which are generally regarded as high-quality investors in the global bond market.

External debt in 2025

As of the end of 2025, Korea's external debt stood at \$766.9 billion, an increase of \$94.0 billion compared to the end of the previous year (\$672.9 billion). By maturity, short-term external debt (with a maturity of one year or less) rose by \$32.5 billion year-on-year to \$179.0 billion, while long-term external debt (with a maturity of more than one year) increased by \$61.5 billion to \$587.8 billion. By sector, external debt increased across all sectors: government (+\$46.0 billion), central bank (+\$2.4 billion), banks (+\$15.5 billion), and other sectors (+\$30.1 billion), respectively.



The increase in external debt in 2025 reflects continued capital inflows into Korea, including stronger foreign investment in Korean bonds ahead of their inclusion in the World Government Bond Index (WGBI) in April 2026.

Meanwhile, external claims reached \$1,136.8 billion, an increase of \$76.8 billion compared to the end of the previous year (\$1,060.0 billion).

Net external claims (external claims minus external debt) amounted to \$369.9 billion, down \$17.2 billion from the end of the previous year (\$387.1 billion).

With regard to soundness indicators, the ratio of short-term external debt to total external debt rose from 21.8% at the end of 2024 to 23.3% at the end of 2025, and the ratio of short-term external debt to reserves increased from 35.3% to 41.8% over the same period. Although these indicators edged up from a year earlier, they remain at stable levels. Meanwhile, the foreign currency liquidity coverage ratio (LCR), which indicates domestic banks' ability to repay external debt, stood at 178.4% as of the end of 2025, significantly exceeding the regulatory requirement of 80%.

The government will make every effort to maintain external stability amid heightened uncertainties in the global environment, including changes in global trade conditions and monetary policy as well as persistent geopolitical risks. At the same time, it will continue to implement policies to promote the foreign exchange and capital markets in a consistent manner so as to support sustained foreign investment inflows into Korea.

Related Websites



Ministry of Finance and Economy
<http://english.mofe.go.kr>



Korea Development Institute (KDI)
<https://www.kdi.re.kr/eng/>



Ministry of Trade Industry and Resources
<https://english.motir.go.kr/>



Bank of Korea
<https://www.bok.or.kr/eng/main/main.do>



Ministry of Data and Statistics
<https://mods.go.kr/anse/>



Korea Customs Service
<https://www.customs.go.kr/english/main.do>



Ministry of Employment and Labor
<https://www.moel.go.kr/english>



Financial Supervisory Service
<https://www.fss.or.kr/eng/main/main.do?menuNo=400000>



Ministry of Land, Infrastructure and Transport
<https://www.molit.go.kr/english/intro.do>



Korea Real Estate Board
<https://www.reb.or.kr/rebEng/main.do>



Korea Exchange
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Korea National Oil Corporation
<https://www.knoc.co.kr/ENG/main.jsp#>



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